

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing

January 19, 2010

Holiday Inn Southwest/Viking Conference Center,
St. Louis, Missouri

Volume 9

In The Matter Of Union Electric Company)

d/b/a AmerenUE's Tariffs To Increase Its) File No. ER-2010-0036

Annual REvenues For Electric Service)

HAROLD STEARLEY, PRESIDING

SENIOR REGULATORY LAW JUDGE

ROBERT CLAYTON, III, Chairman

JEFF DAVIS, Commissioner

REPORTED BY:

Patsy A. Hertweck, C. C. R.

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

2 JUDGE STEARLEY: All right. Good
3 evening. I appreciate you all waiting. I know we had a
4 little bit of a delay to start this evening. We are going
5 on the record with our court reporter at this time, and it
6 is Tuesday, January 19, 2010. And the Missouri Public
7 Service Commission has set this time for a local public
8 hearing on file No. ER-20100036, in which Union Electric
9 Company, doing business as AmerenUE, seeks to implement a
10 general rate increase in its electric service in Missouri.

11 My name is Harold Stearley. I'm the
12 regulatory law judge presiding over tonight's hearing.
13 With me tonight is the chairman of Missouri Public Service
14 Commission, Chairman Clayton, and Commissioner Davis as
15 well.

16 I'd like to begin by briefly explaining the
17 procedure tonight. This is not an evidentiary hearing, and
18 the Commission has not reached a decision yet in this case.
19 This is an opportunity for members of the public to be able
20 to provide testimony and comments to the Commission.

21 Because the evidentiary hearing has not been
22 completed at this time, the Commissioners themselves cannot
23 take questions from you. However, they do want to hear
24 your comments and your testimony. And they may have some
25 questions for you regarding your comments to get some more

1 specific information.

2 So when you come up to give your comments or
3 if you give them from where you are seated, please do not
4 leave until everyone has had an opportunity to get their
5 questions answered.

6 At the evidentiary hearing, which is
7 scheduled to begin on March 15th, the parties are
8 represented by counsel, and in a moment, I'm going to take
9 entries of the appearance from counsel who are present
10 tonight.

11 The general public is represented by the
12 office of Public Counsel at that hearing, and Mr. Mills,
13 who will introduce himself here shortly, will be your legal
14 representative at the evidentiary hearing.

15 When I call names off our witness list, I'll
16 ask you to state and spell your name for our court
17 reporter. I may ask a couple of preliminary questions, and
18 then we will allow you to give your comments.

19 Does everyone understand how we're going to
20 proceed tonight. Okay. Seeing no questions, I will begin
21 with the Chairman. I believe you would like to make some
22 opening remarks.

23 CHAIRMAN CLAYTON: Thank you, Judge. I
24 just wanted to welcome everyone here. My name is Robert
25 Clayton. I'm chairman of the Public Service Commission.

1 There are five members of the Commission. To my right is
2 Commissioner Davis, who is -- who is just down on the other
3 side.

4 We're conducting several local public
5 hearings in the St. Louis area over the next several days.
6 In fact, because of some of the large turnouts we've had in
7 other places, we scheduled additional locations. We have
8 another local public hearing going on at, I believe,
9 Meramec Community College is the other place. We have, I
10 believe, three other commissioners attending that, and
11 that's why the two of us are here.

12 I wanted to let you know that we are
13 recording this, and we are also making a transcript of all
14 the information that's going to be provided to us tonight.
15 That will be made part of our electronic filing system. So
16 I appreciate you coming out, and just wanted to make sure
17 you are aware that this is going to be available to all the
18 commissioners as we make a decision.

19 This case is set for a trial or an
20 evidentiary hearing for two weeks during the month of
21 March. So we still have a long way to go. There's a lot
22 of evidence to be taken in the case, and this is one part
23 of the way that we process this case by -- by taking your
24 comments and concerns.

25 I would urge you that if you have additional

1 questions, take advantage of the Public Service Commission
2 staff that are in the room. We have some staff over here
3 to -- to my left and to your right. We also have some
4 consumer services folks outside manning the desk.

5 I would also urge you to take advantage of
6 the Ameren staff that are here. If you're having a problem
7 with reliability, a problem with billing, a specific
8 concern, now is the perfect time for us to address it if
9 you -- you have that sort of situation. So take advantage
10 of the staff that are here, and other than that, we look
11 forward to your comments.

12 JUDGE STEARLEY: Commissioner Davis,
13 would you have any opening remarks?

14 COMMISSIONER DAVIS: Thank you, Judge,
15 no.

16 JUDGE STEARLEY: All right. Very well.
17 I'll begin with taking entries of appearance starting with
18 AmerenUE.

19 MS. TATRO: Good evening. Wendy Tatro,
20 1901 Chouteau Avenue, St. Louis, Missouri 63103.

21 JUDGE STEARLEY: Okay. Thank you, Ms.
22 Tatro. The Office of Public Counsel.

23 MR. MILLS: On behalf of the Office of
24 Public Counsel and the public, my name is Lewis Mills. My
25 address is Post office Box 2230, Jefferson City, Missouri

1 65102.

2 JUDGE STEARLEY: Thank you, Mr. Mills.
3 Staff of the Missouri Public Service Commission.

4 MR. DEARMONT: Good evening. My name
5 is Eric Dearmont on behalf of the staff of the Missouri
6 Public Service Commission. P. O. Box 360, Jefferson City,
7 Missouri 65102.

8 JUDGE STEARLEY: All right. Are there
9 any of the interveners in this case present at our hearing
10 tonight?

11 Seeing none, we have no more entries of
12 appearance. So I will begin by calling the first witness
13 on our list. We have a table set up to our right, to your
14 left with a microphone. You're welcome to come up and sit
15 at that table.

16 And the first witness I have is Mr. Tom
17 Wilson.

18 (Thereupon, Witness Tom Wilson was
19 sworn on his oath by Judge Stearley, and
20 testified as follows:)

21 Thank you. You may be seated.

22 MR. WILSON: Thank you.

23 JUDGE STEARLEY: Before you begin your
24 comments, just a couple of quick questions.

25 Are you a customer of Ameren?

1 MR. WILSON: Yes.

2 JUDGE STEARLEY: All right. And would
3 you please spell your last name for our court reporter.

4 MR. WILSON: W-I-L-S-O-N.

5 JUDGE STEARLEY: Okay, so we have that
6 clear. And with that, you may go ahead and give your
7 testimony.

8 MR. WILSON: Thank you, Judge. Thank
9 you, Commissioners, for your time this evening.

10 I just wanted to speak about my
11 disappointment with Ameren's arrogance and greed.
12 Arrogance to push a rate increase through, and greed of
13 asking for an 18 percent or more increase.

14 On behalf of the customers that couldn't be
15 here, they're at athletic events or home with their
16 families where I would normally be, I would hope that some
17 tough questions are asked tonight. Like where Ameren
18 expects their residential customers to get this money
19 during this recession to pay for this increase.

20 If I have to pay more for a service, I
21 should be able to shop around for a lower rate. We are all
22 held captive by Ameren and unable to shop around. That is
23 why we are here to ask the Public Service Commission this
24 evening, to say enough is enough. It would be a lie to say
25 that Ameren's service is good at best.

1 I've heard this evening all the talk about
2 how they've improved their service. I was one of their
3 customers who called to try and get them to come out and
4 cut trees for years, and they wouldn't do it until the
5 freeze.

6 We've had a lot of disruptions and outages
7 in the past three or four years. Unlike any other utility,
8 my elderly mother, who's 82, was without heat for a week
9 and toughed it out. I think Ameren should tough it out by
10 cutting back on their billboard advertising, radio ads, and
11 I know that they hired Karen Foss as a public speaker. I
12 just wonder how much that cost Ameren.

13 I would be available and free of charge to
14 consult with Ameren to help them cut their costs as I've
15 cut my home costs in order to meet the needs of my bills
16 and not get behind. I have not over spent and expected
17 someone else to come up with the money to pay my credit
18 cards.

19 I thank you for your time, and I appreciate
20 everybody being here this evening. Thank you.

21 JUDGE STEARLEY: All right. Mr.
22 Wilson, let me ask if any of the attorneys present have any
23 questions for you. Not seeing any, all right. We'll go to
24 Chairman Clayton.

25 CHAIRMAN CLAYTON: Mr. Wilson, thank

1 you very much for coming tonight. I want to talk to you
2 about your comments relating to services not good.

3 You mentioned that your mother was out of
4 service. I want to ask you if you faced a significant
5 outages of your electricity service during the 2004, '5,
6 '06, '07. There were a number of years where they had some
7 difficulties. Did you face any of those outages?

8 MR. WILSON: Yes, sir, I did. I was
9 out at the same time as my mother, but I have a gas
10 fireplace, and was able to -- she came over and slept on my
11 couch.

12 CHAIRMAN CLAYTON: Okay. So -- so heat
13 wasn't as big an issue for you as perhaps someone else, is
14 what you're saying?

15 MR. WILSON: Correct.

16 CHAIRMAN CLAYTON: Okay. But how long
17 were you out during that outage?

18 MR. WILSON: I was out five to six
19 days.

20 CHAIRMAN CLAYTON: You were out five to
21 six days.

22 MR. WILSON: Yes.

23 CHAIRMAN CLAYTON: Now, you mentioned
24 that the service is -- is not good. You said you'd lie if
25 the service -- if you said the service was good. On a

1 day-to-day basis where you're not talking about a storm or
2 an ice storm or a wind storm, what do you mean by the
3 service isn't good? How often do the lights go out?

4 MR. WILSON: Well, I would say that the
5 lights are not necessarily a day-to-day issue. It's more
6 when there is a storm or some weather-related issue with
7 high winds. And I would speak of their customer service as
8 well, is -- is not adequate.

9 CHAIRMAN CLAYTON: Okay. Well, we'll
10 get to customer service. Just real quickly. So the
11 service -- if the weather is okay, you're satisfied with
12 the service as long as there aren't abnormal weather
13 conditions?

14 MR. WILSON: Yes.

15 CHAIRMAN CLAYTON: Okay. Now, when --
16 when the weather is bad, how often does it occur where you
17 have significant outage by say more than several hours?

18 MR. WILSON: I think it's on record
19 that the North County, Florissant area is -- is pretty hard
20 hit during high winds, and everybody is familiar with that.
21 And I have it no worse than the majority of the outages in
22 that area. So we could go back and look at the outages,
23 and that would apply to me.

24 CHAIRMAN CLAYTON: And are you from the
25 North County, Florissant area?

1 MR. WILSON: Yes, sir.

2 CHAIRMAN CLAYTON: I'm sorry.

3 MR. WILSON: Yes.

4 CHAIRMAN CLAYTON: Thank you. Now, on
5 the customer service, what has happened to suggest poor
6 customer service?

7 MR. WILSON: Just long times waiting to
8 get answers resolved with billing and in trying to
9 understand Ameren's billing statement. And this goes back
10 a number of years, and I've given up basically with trying
11 to -- to get issues resolved.

12 CHAIRMAN CLAYTON: Have you ever
13 contacted the Public Service Commission to try to resolve
14 some of those concerns?

15 MR. WILSON: Only recently I called and
16 gave them a statement when I found out about this increase,
17 but not in the past.

18 CHAIRMAN CLAYTON: Have you received
19 any response from that inquiry?

20 MR. WILSON: I did receive a letter
21 thanking me for -- for my input, and I believe it had
22 information on the meetings.

23 CHAIRMAN CLAYTON: Okay. Well, I would
24 encourage you to -- the staff out front should be aware of
25 the inquiry that you made. If you want to continue further

1 on that, I would urge you to take advantage of those folks
2 out there to at least resolve the immediate issues on
3 reading the bill and addressing the billing problems.

4 MR. WILSON: Thank you.

5 CHAIRMAN CLAYTON: Thank you.

6 JUDGE STEARLEY: Commission Davis, any
7 questions?

8 COMMISSIONER DAVIS: No questions.
9 Thank you.

10 JUDGE STEARLEY: Thank you, Mr. Wilson.

11 Next on our list I have Nancy Williams.

12 (Thereupon, Witness Nancy Williams was
13 sworn on her oath by Judge Stearley, and
14 testified as follows:)

15 Thank you. You may be seated.

16 MS. WILLIAMS: Good evening, gentlemen.

17 JUDGE STEARLEY: Ms. Williams, will you
18 please spell your name for our court reporter.

19 MS. WILLIAMS: Nancy Williams.

20 W-I-L-L-I-A-M-S.

21 JUDGE STEARLEY: All right. And, Ms.
22 Williams, are you a customer of AmerenUE?

23 MS. WILLIAMS: I am through Kirkwood.

24 JUDGE STEARLEY: All right. Thank you.
25 You may give us your comments.

1 MS. WILLIAMS: Okay. Little did I know
2 when I woke up this morning that I would be testifying
3 tonight. But I feel that this is serious enough, and I
4 think that we all need to step up when we feel something is
5 wrong.

6 I'm a senior, and through the last several
7 years, as a race towards being able to take care of myself
8 when I get older and not being a ward of my family, I've
9 had to really tighten my belt. I drive an 11-year-old car
10 with almost 200,000 miles. I work full-time still. I have
11 my temperature set at 60 degrees all the time in my house,
12 and walk around with a space heater so I don't freeze to
13 death.

14 So I've really had to tighten my belt, and
15 what I don't hear, except in little bits and snippets, is
16 how Ameren is tightening their belt. I've been in the
17 working world for 50 years. During that time, I've had
18 three of my own businesses. One of those an accounting
19 service for 26 years.

20 In accounting, you learn that if you want to
21 increase your bottom line, you have two ways of doing it.
22 Number one, you increase your profits, or you decrease your
23 expenses. And I have not heard enough from AmerenUE about
24 what they're doing to decrease expenses.

25 I want to know about bonuses to officers. I

1 want to know just exactly how they're trying to save money.
2 Before you come to me, AmerenUE, and ask for something so
3 outrageous as 18 percent increase, you better be telling me
4 first what you've done to decrease your expenses. I'm
5 having to tighten my belt. You have to tighten your belt.

6 Also too, in my 50 years in the working
7 world, I'm not so sure that I can come up with another
8 example of a business that spends money first and then has
9 somebody cover it for them. And I want to know -- in
10 businesses rise and fall on procedures. I want to know
11 what procedure's in place with the Commission that says
12 that you have to go -- AmerenUE has to go to somebody first
13 before they spend this money to get an okay on spending it.

14 Who's -- who's telling me that what was
15 spent by AmerenUE is what they have to spend? It's not
16 enough to come to me and say this is why they spent. Now
17 they expect you to cover it.

18 Thank you.

19 JUDGE STEARLEY: All right. Any
20 questions from the attorneys? Being none, Mr. Chairman?

21 CHAIRMAN CLAYTON: Thank you, Judge.

22 Ms. Williams, thank you very much for coming
23 tonight. I wanted to ask first a real preliminary
24 question.

25 You said that you're a -- you live in

1 Kirkwood. Is Ameren your provider?

2 MS. WILLIAMS: The City of Kirkwood is
3 our provider, but it's my understanding that the power
4 comes through Ameren.

5 CHAIRMAN CLAYTON: Okay. So you're not
6 an actual retail customer of Ameren?

7 MS. WILLIAMS: I don't know how that
8 breaks down.

9 CHAIRMAN CLAYTON: Okay. But when you
10 -- when you write a check out, it goes to the City --

11 MS. WILLIAMS: The City of Kirkwood.

12 CHAIRMAN CLAYTON: -- of Kirkwood?

13 MS. WILLIAMS: Yes.

14 CHAIRMAN CLAYTON: Yeah. And they have
15 a wholesale contract with Ameren and the power is delivered
16 from Ameren to the City of Kirkwood, I think?

17 MS. WILLIAMS: It has to come from
18 somewhere. So I'm presuming it's Ameren.

19 CHAIRMAN CLAYTON: Okay. Okay. Okay.
20 Well, that's a little different relationship. I don't
21 think I have any questions. Thanks for coming tonight.

22 MS. WILLIAMS: All right. Thank you.

23 JUDGE STEARLEY: Commissioner Davis,
24 any questions?

25 COMMISSIONER DAVIS: No.

1 JUDGE STEARLEY: Thank you, Ms.
2 Williams.

3 MS. WILLIAMS: Thank you.

4 JUDGE STEARLEY: Appreciate your
5 testifying. Next on our list I have Lisle Crothers. Am I
6 saying that correctly? C-R-O-T-H-E-R-S. Is Mr. Crothers
7 here? All right. We'll move down the list.

8 I have Tom Clemens?

9 MR. CLEMENS: Clemens.

10 JUDGE STEARLEY: Clemens, okay.

11 CHAIRMAN CLAYTON: We weren't sure if
12 it was a 'C' or an 'S' and --

13 MR. CLEMENS: Bad handwriting.

14 JUDGE STEARLEY: Mr. Clemens, if you'd
15 please spell your name for our court reporter.

16 MR. CLEMENS: Because you can't read
17 it. It's Tom Clemens. C-L-E-M-E-N-S. I live in Des
18 Peres, and yes, I am a customer of Ameren currently.

19 JUDGE STEARLEY: And that's why I
20 always ask people to spell their names.

21 MR. CLEMENS: Yes.

22 JUDGE STEARLEY: Thank you. You may
23 proceed with your comments.

24 (Thereupon, Witness Tom Clemens was not
25 sworn by Judge Stearley, and testified as

1 follows:)

2 MR. CLEMENS: Thank you. A couple of
3 points. Earlier we had an informational meeting that kind
4 of explained what was coming with this rate increase. And
5 one of the points that was made from the floor, which I
6 heartily agree with, is that 18 percent strikes me as an
7 excessive number.

8 I understand that costs are not static. I
9 understand that we have health insurance and many other
10 things that are increasing, but I don't know of any other
11 business that can force through an 18 percent rate
12 increase, particularly now.

13 It also strikes me as excessive that Ameren
14 is asking for 11 and a half, and you guys have ratcheted
15 them back to 9 and 3/5 or 9.35. Gee, ooh! That's so hard.

16 I mean, my stock portfolio was -- has 0
17 percent rate of return in the last ten years. This is the
18 only industry that doesn't really have risks by comparison
19 to, you know, you sell so many widgets, and if you don't
20 sell them, then you eat the cost of making them. Not so in
21 this world.

22 And too, a point that was brought up earlier
23 was it's the only game in town. We don't have any choice.
24 So that 9.35, I wish I could get that, and it strikes me as
25 a little bit high relative to the state of the economy.

1 And then the last is that we're talking
2 about an 18 percent increase before the impact of cap and
3 trade, before the impact of the requirement for them to
4 absorb renewable energy sources. You know, I think we need
5 to -- it's going to be really hard to absorb a cap and
6 trade expense and not have this be already in place.

7 So I urge you to use caution on the
8 increase. And then the last point, and that is that there
9 was a question from the floor during the informational
10 meeting about what was the cost of the Johnson's Shut-Ins
11 episode, and they said there's nothing on the Johnsons'
12 Shut-Ins costs in this rate increase, and I don't believe
13 that.

14 And the reason I don't believe that is if
15 Ameren had the money that they spent on Johnson's Shut-Ins,
16 they wouldn't need as much money on the increase. It's a
17 shell game to make a statement that I spent all this money,
18 but there's -- I'm not trying to replace that. That is an
19 inaccurate statement. They took that money, they spent it
20 because they needed to to fix up Johnson's Shut-Ins. I'm
21 glad they did, but arguably that was due to malfeasance or
22 at least not maintenance on the -- on the reservoir, and
23 now we're all paying the price for it.

24 And I really don't like having an 18 percent
25 increase that's going to be dinged with an additional cost

1 when cap and trade hits.

2 So that's my statement if you have any
3 questions.

4 JUDGE STEARLEY: Any questions from any
5 of the attorneys present? Mr. Chairman?

6 CHAIRMAN CLAYTON: I don't -- Mr.
7 Clemens, I don't think I have any questions. Thank you
8 very much for coming.

9 COMMISSIONER DAVIS: None.

10 JUDGE STEARLEY: All right. Again,
11 please excuse me for butchering names. I have John, is it
12 Pellegrins (sic)?

13 MR. PELLEGRINI: Pellegrini.

14 JUDGE STEARLEY: Pellegrini?

15 MR. PELLEGRINI: Yeah, Pellegrini.

16 JUDGE STEARLEY: Okay.

17 MR. PELLEGRINI: That's fine. Thanks.

18 JUDGE STEARLEY: Mr. Pellegrini, can
19 you please raise your right hand.

20 (Thereupon, Witness John Peligrini was
21 sworn on his oath by Judge Stearley, and
22 testified as follows:)

23 Thank you. If you would also please spell
24 your name for our court reporter.

25 MR. PELLEGRINI: Okay.

1 P-E-L-L-E-G-R-I-N-I.

2 CHAIRMAN CLAYTON: Mr. Pellegrini, can
3 I ask -- can I just mention something to Mr. Clemens before
4 we move on to you?

5 MR. PELLEGRINI: Okay.

6 CHAIRMAN CLAYTON: I apologize. Mr.
7 Clemens, I just wanted to -- you raised a number of issues,
8 and I thought it would be appropriate. We can't answer the
9 questions that you kind of threw out, the concerns that you
10 threw out. But I thought it may be worthwhile to either
11 meet with the PSC staff, the folks sitting over here, who
12 can talk to you about each of these issues.

13 Whether you agree or disagree with them,
14 believe them, that's up to you, but I think they may be
15 able to give you some information that will address the
16 concerns that you raised.

17 I would also encourage you to public
18 counsel, the Rate Fair Advocate is here, Mr. Mills, and
19 it's his job to represent you as the rate payers. And he
20 may be able to answer some questions. You may agree,
21 disagree. I can't solve that, but I would encourage you to
22 take advantage of that tonight.

23 Mr. Pellegrini, I apologize.

24 MR. PELLEGRINI: That's okay.

25 Just no to the aberrant 18 percent rate

1 down 15 percent. Retail income
2 down 8 percent. Retail sales down
3 10 percent. Electricity is a key
4 input to business and families.
5 Raising rates will worsen the
6 economy and lead to greater
7 hardship to families."
8 Ameren's own sales are down according to the
9 September 10K report. Total sales are down 10 percent.
10 Industrial sales are down 11 percent, and residential is
11 down between 1 to 2 percent. So their sales are actually
12 falling too; yet, they want to raise their rates 18
13 percent.
14 Fuel costs. We keep hearing about fuel
15 costs going up, but did you know that Ameren generation is
16 85 percent coal based, 12 percent nuclear, 1 percent
17 natural gas, and about 2 percent hydro. Did you know coal
18 is cheap. It's reliable and it's abundant.
19 97 percent of Ameren coal comes from the
20 Powder River Basin in Wyoming, which is the cheapest coal
21 on average in the United States. Cost of Powder River coal
22 -- coal has fallen more than 50 percent since July 2008.
23 That's 50 percent, the price of coal, which fuels 97
24 percent of Ameren's power. And it's even cheaper coal than
25 natural gas, which is still very competitive.

1 And yet, Ameren should be using more coal to
2 reduce their costs. If they want to reduce costs, use more
3 coal. Don't just increase our rate 18 percent.

4 And now Ameren is not even fighting against
5 the myth about global warming. Why don't they fight
6 against it and help reduce their costs. We know about
7 climate gate now. We know how phony that is.

8 The average price in Missouri for
9 electricity is 6.9 centers per kilowatt hour, and Missouri
10 on average, 85 percent is supplied by coal.

11 Now, another state which is against coal,
12 guess what, California, they pay 13 cents per kilowatt
13 hour, which and they're only supplied by 1 percent coal.
14 So why is Ameren continuing to chase alternative fuels.
15 Stick with coal, nuclear and natural gas, and please do a
16 protest against it.

17 So my summary, Ameren needs to reduce its
18 costs. They should be as effective as their unregulated
19 utility, if not more. They should stop reducing -- wasting
20 money. Don't chase global warming. Fight against it.
21 Show them the facts, because there is no facts for it. And
22 Ameren must focus on cheap fuel sources, such as coal,
23 which price has fallen 50 percent since July 2008, and
24 there's abundant supplies.

25 The economy is in the worst recession, and

1 families cannot afford an 18 percent increase. So I say no
2 to the 18 percent rate increase.

3 Thank you.

4 JUDGE STEARLEY: Any questions from the
5 attorneys? Hearing none, Mr. Chairman?

6 CHAIRMAN CLAYTON: No questions.

7 Thanks for coming, Mr. Pellegrini.

8 JUDGE STEARLEY: Commissioner Davis?

9 COMMISSIONER DAVIS: No questions.

10 Thank you, sir.

11 MR. PELLEGRINI: Thank you.

12 JUDGE STEARLEY: All right. Next I
13 have Ron Kardell.

14 (Thereupon, Witness Ronald Kardell was
15 sworn on his oath by Judge Stearley, and
16 testified as follows:)

17 Thank you. You may be seated, and if you
18 would please spell your name for our court reporter.

19 MR. KARDELL: Ronald, K-A-R-D-E-L-L,
20 Kardell.

21 JUDGE STEARLEY: And are you a customer
22 of AmerenUE?

23 MR. KARDELL: Yes.

24 JUDGE STEARLEY: All right. You may
25 proceed.

1 MR. KARDELL: First of all, AmerenUE is
2 a for-profit manufacturing electricity. Correct? Last
3 year you wanted to give me -- wanted me to give you money
4 to start up a new nuclear plant so you could charge me more
5 for my electric later on. Is that correct?

6 Isn't that like a for-profit manufacturing
7 company asking me for money to build cars so they can sell
8 me one later on down the line? Well, wait a minute. That
9 sounds like what's happening to me now with General Motors.

10 It sounds to me you want to charge me for
11 future fuel costs now and still keep the fuel adjustment
12 clause that would let you charge me if fuel went up any
13 time also.

14 This administration said that I'm not
15 getting a cost-of-living increase in my Social Security for
16 the next two years because there will be no rise in my cost
17 of living, supposedly.

18 But you're saying your cost of producing
19 electricity is and will go up, and that my cost of living
20 which you want to go up 18 percent for my electricity will
21 be nothing for my budget to handle. So says you, AmerenUE
22 and this administration.

23 The yield on your stock as of today has been
24 5.60 percent. The national average is 1.45 percent on CDs.
25 So are we getting this increase to keep your 5.60 yield in

1 place?

2 Also the government wants me to replace my
3 light bulbs with fluorescent bulbs to save money. So I
4 did, and then you want me -- to take those savings from me
5 in this rate increase? Is that correct?

6 Another point about this peer power program
7 that Ameren has in place. How many wind turbines or how
8 many acres of solar panels does it take to generate as much
9 electricity as, let's say, a levity pump with full
10 financial capacity, only as long as the wind is blowing and
11 the sun is shining. Right?

12 Will these wind curtains be like telephone
13 poles across the US? I rest my case.

14 JUDGE STEARLEY: Okay. Any questions
15 from the attorneys? Seeing none, Chairman?

16 CHAIRMAN CLAYTON: No questions, Mr.
17 Kardell.

18 MR. KARDELL: Okay.

19 CHAIRMAN CLAYTON: Thank you for
20 coming.

21 JUDGE STEARLEY: Commissioner Davis?

22 COMMISSIONER DAVIS: No questions.

23 Thank you, sir.

24 JUDGE STEARLEY: The last person I have
25 signed up is Harold Beck. Harold?

1 MR. BECK: Sorry, Judge. I have --
2 need a root canal, so I'm not hearing or speaking very
3 well.

4 JUDGE STEARLEY: That's all right. If
5 you'd please raise your right hand.

6 (Thereupon, Witness Harold Beck was
7 sworn on his oath by Judge Stearley, and
8 testified as follows:)

9 Thank you. And if you would please spell
10 your name for our court reporter.

11 MR. BECK: Harold, H-A-R-O-L-D, Michael
12 Beck, B-E-C-K.

13 JUDGE STEARLEY: Thank you, and are you
14 a customer of AmerenUE?

15 MR. BECK: Yes, I am.

16 JUDGE STEARLEY: All right. You may
17 proceed.

18 MR. BECK: Well, I just noticed that
19 they're going to move things up 18 percent, or the last 18
20 and maybe take half that. But they hired Karen Foss.
21 There's nobody trimming limbs out there. We had a major
22 problems in the last few storms, and it -- it looked like
23 nobody was trimming leaves -- or limbs again. And
24 basically they hired Karen. I don't know what they paid
25 her or in stock or whatever down the line, along with the

1 officers of the company or anybody else involved in the
2 hearings.

3 Does anybody here have stock in the company
4 or been promised anything by the company down the road?

5 Also the wiring system, I've talked to
6 retired people. One of my relatives is a retired UE
7 employee. Basically what he told me about the system from
8 a wiring standpoint it's a major disaster. You guys need
9 to put them underground, okay, something that's not going
10 to come down in ice and you don't have major problems with
11 it.

12 But we've got a wiring system that's 100
13 years old in the City, maybe older than that, but it
14 doesn't seem like they want to do much about it. And if
15 you want to generate energy, you've got a river down here.
16 You could put some generators on barges and move them with
17 the floods. Basically you could generate this stuff for
18 free.

19 And does anybody know what they paid Karen
20 to do this? They could have probably hired half a dozen
21 linemen, trucks of this sort maybe to get the job done.
22 Right now I'm waiting for the lines to come down. I was in
23 fear of an ice storm again this year.

24 I can't keep replacing frozen pipes every
25 time we have an ice storm. I'm in the historical area of

1 Carondolette, and basically our wires are so old, and our
2 trees -- they don't trim anything. The City has lots with
3 trees on them. I have one right now that has three or four
4 limbs on a hot wire, and I called repeatedly.

5 Last time I called, and they wrecked my roof
6 on my garage. I had to reroof the place, and nothing was
7 done about that. But I'm almost better off not asking them
8 to help.

9 I don't want to try to cut wires off of a
10 hot wire. I'm not going to do it. And I've been calling
11 them for about seven or eight years since the last really
12 bad ice storm. Nothing has been done by the City or by the
13 -- the company to do anything about trimming the wires.

14 And I guess when my garage burns down, it'll
15 be my garage burned out or my house. But -- sorry I'm
16 rambling. I'm awaiting a root canal. I'm not doing very
17 well.

18 JUDGE STEARLEY: We appreciate your
19 testimony.

20 MR. BECK: Well, I saw what was going
21 on with the 18 percent raise, and I thought I better get
22 out there. I put my dental appointment on hold. The VA
23 don't do teeth anymore.

24 And basically can you answer who I can
25 investigate who gets stock in the company or who gets

1 promised jobs down the line?

2 JUDGE STEARLEY: Mr. Beck, as far as --

3 MR. BECK: A general investigation you
4 can go to the Attorney General, or do you go -- where is
5 the likely spot?

6 JUDGE STEARLEY: Yeah. Commissioners
7 can't answer your questions.

8 MR. BECK: Is it -- is it covered under
9 federal law?

10 JUDGE STEARLEY: But what I encourage
11 you to do is take your questions to either the Commission
12 staff --

13 MR. BECK: Uh-huh.

14 JUDGE STEARLEY: -- at the conclusion
15 of the hearing.

16 MR. BECK: Well, I thought it was
17 pretty important it came out tonight.

18 JUDGE STEARLEY: That's very good, and
19 we appreciate that, but I think they may be able to help
20 answer those questions specifically.

21 MR. BECK: Judge, I want to thank you
22 for your time also and the rest of the attorneys, sir.
23 Thank you.

24 JUDGE STEARLEY: Hold tight there, Mr.
25 Beck, and let me make sure there's no questions for you.

1 MR. BECK: Sure.

2 JUDGE STEARLEY: Do any of the
3 attorneys have any questions for Mr. Beck?

4 MR. MILLS: No questions.

5 JUDGE STEARLEY: Mr. Chairman?

6 CHAIRMAN CLAYTON: No. Mr. Beck, I
7 want to thank you for coming out. I mean, I sympathize as
8 someone who just went to the dentist the other day and got
9 some bad news myself. I am at a time where I can
10 understand and sympathize with that.

11 I don't have any specific questions. I just
12 -- I want you to understand, make a general statement. It
13 is illegal for the commissioners to own stock or have an
14 interest in any utility company that we regulate. That's
15 for all of us and for all the staff that work for us.

16 MR. BECK: Is that for all time down
17 the road or is it like promised jobs or --

18 CHAIRMAN CLAYTON: I think the way the
19 statute reads is that it's against the law for us to own it
20 while we are affiliated with the Commission, while we are
21 working there. And then the second thing is that it's
22 illegal for any -- any discussion about jobs or
23 opportunities like that while we're working for the
24 Commission.

25 I don't know if that makes you feel any

1 better. I just wanted to be clear about that.

2 MR. BECK: Just wondering where the
3 money was going.

4 CHAIRMAN CLAYTON: Sure. Thank you for
5 your testimony.

6 MR. BECK: Thank you. Thanks for your
7 time.

8 JUDGE STEARLEY: Mr. Beck, before you
9 leave, I do have one question for you. Could you please
10 tell us a little bit more with what happened with your roof
11 incident. What was the repair being made, and --

12 MR. BECK: Well, we had ice -- we had
13 ice on the wires. They had one man trying to operate a
14 three-man truck. I don't know if it's because they were
15 short of people. He got stuck in the bucket, got hung up
16 in the wires. I managed to get a ladder up. I got up on
17 the roof with him and helped him fix the -- fix the problem
18 basically, lifted the branch off of him. And he finished
19 the job.

20 But when he did, he dropped the bucket on
21 the roof, and it was never reported. There was -- the
22 electric was off for like about two weeks. They finally
23 got us up and running. But I never came out -- they were
24 going to come out and check the roof. That was the last I
25 heard from them.

1 JUDGE STEARLEY: Okay. There are
2 representatives from Ameren here tonight, and you're done
3 with your testimony here. You're certainly free to bring
4 these service issues to their attention, and they may be
5 able to respond to you personally.

6 MR. BECK: Basically too we've got
7 problems with the City. They have a lot next door, and
8 their trees are the ones that are hanging over on -- onto
9 my property, but they never do anything about it. They're
10 doing layoffs basically.

11 JUDGE STEARLEY: Okay. Well, thank you
12 very much, Mr. Beck.

13 COMMISSIONER DAVIS: Judge, can we get
14 someone from staff to -- to followup with this gentleman as
15 well?

16 JUDGE STEARLEY: Yes, I believe so.

17 All right. I've been handed another list
18 here. We have another name, Mr. Doug Smith.

19 Mr. Smith, before you start, let me have you
20 raise your right hand.

21 (Thereupon, Witness Doug Smith was
22 sworn on his oath by Judge Stearley, and
23 testified as follows:)

24 I'm going to assume our court reporter can
25 spell Smith, so I'm not going to ask you to spell that for

1 her. Are you a customer of AmerenUE?

2 MR. SMITH: Yes. Yes, I am.

3 JUDGE STEARLEY: You may proceed.

4 MR. SMITH: Thank you. I'll make this
5 short because there's not many questions. I have one
6 question and one comment.

7 The comment is that I don't know of any
8 other business that's a public utility that asks for an 18
9 percent rate increase at one time. That's a pretty strong
10 and pretty -- pretty hard to swallow really when you
11 consider that the -- the usage that most individual
12 households have, that ups it quite a bit.

13 Say a \$100 bill is \$120 now, and everybody
14 else is going up, but they're not going up 18 percent. I
15 don't know when -- when do you -- I really haven't heard
16 much about it other than the 18 percent. Do you -- do you
17 plan on doing that within a year? Do you plan on doing it
18 within a couple of months after -- if it's granted? Can
19 you answer those questions?

20 JUDGE STEARLEY: In this particular
21 forum, Mr. Smith, the Commissioners cannot answer your
22 questions because the case is still pending. The
23 evidentiary hearing is still pending. You can address your
24 questions to our staff members, who are present tonight.

25 MR. SMITH: Yeah, but that -- that

1 doesn't go on record, though, does it?

2 JUDGE STEARLEY: No, sir, that does not
3 go on record, but you're free to file any comments in
4 addition to the ones you're speaking and file written
5 comments with the Commission.

6 MR. SMITH: Okay.

7 JUDGE STEARLEY: But I'm afraid the
8 Commissioners cannot direct specific answers to your
9 questions. You are welcome to view the evidentiary
10 hearings when they are held. If you have access to a
11 computer, they are broadcast, or you're welcome to attend
12 those hearings in Jefferson City and see how the
13 evidentiary hearing is conducted and the evidence that is
14 presented there.

15 These processes, by statute, take 11 months,
16 and the Commissioners make their decisions based upon the
17 totality of the evidence they are presented with.

18 MR. SMITH: Well, I would just like to
19 put one other comment on record, and that would be when was
20 the last time that the Union Electric was granted a rate
21 increase by the Commission, and what was that percentage?

22 JUDGE STEARLEY: And I --

23 MR. SMITH: I know you can't answer
24 that, but I'm just getting that on record.

25 JUDGE STEARLEY: I understand, and I

1 don't have that data in front of me.

2 MR. SMITH: Okay. All right. Well,
3 that's it. Thank you.

4 JUDGE STEARLEY: All right, Mr. Smith.
5 Let me ask -- the Chairman I think is waiting. Do any of
6 the attorneys have any questions?

7 MR. MILLS: I don't have any questions,
8 but just -- and this isn't evidence because I'm not under
9 oath. But just for your information, there was about an 8
10 percent increase in April of 2009.

11 MR. SMITH: Okay.

12 MR. MILLS: Approximately April, I
13 think. March or April.

14 MR. SMITH: So -- okay. So in 2009 an
15 8 percent increase, and now you feel that -- that it's
16 necessary to ask for an 18 percent increase?

17 MR. MILLS: I don't feel it's necessary
18 at all. I've got -- the company is asking for 18 percent
19 increase. I -- I don't believe it's necessary, but
20 that's --

21 MR. SMITH: Okay.

22 CHAIRMAN CLAYTON: Mr. Smith, you
23 weren't here --

24 MR. SMITH: No, I just -- I got here at
25 four o'clock when it was supposedly it started. That's

1 what the information that I got from the hotel this
2 morning. The news media did not have, evidently, the
3 correct information or they didn't broadcast it. But when
4 I listened to the news this morning, I was -- I found out
5 about this this evening, and they had -- they gave no time.
6 So I called the hotel, and they said it started at four
7 o'clock.

8 Well, that really meant that the room was
9 available to you at four o'clock. They didn't -- but so
10 anyway I showed up at 4:00, and then I -- after finding out
11 that it wasn't -- didn't really the questions and answers
12 started earlier, and the testimony started after -- after
13 that. So that's why I showed up.

14 CHAIRMAN CLAYTON: Mr. Smith, I
15 apologize for that mixup. We have tried to accommodate
16 larger crowds that we've seen during this rate case, and
17 this is actually an extra space that we put together for
18 tonight. We have another hearing that's going on at
19 Meramec College. We were at Harris School today. We'll be
20 at a couple of libraries tomorrow afternoon, and then
21 somewhere tomorrow night. I'm losing track of everything.
22 So we're doing the best we can.

23 MR. SMITH: No, I understand that.

24 CHAIRMAN CLAYTON: I apologize.

25 MR. SMITH: So that's why -- that's why

1 I showed up later.

2 CHAIRMAN CLAYTON: I just wanted to let
3 you know that the person giving you information is Mr.
4 Mills, who is the public counsel. He represents the
5 public, and so if you have questions about what he is
6 recommending in the case for resolving the case or what the
7 staff is recommending, we have some PSC staff that are
8 here. They can provide answers to questions, but the
9 Commissioners are not here to go on record because we
10 haven't received any evidence yet in the case.

11 That takes place in March, and we -- we
12 ultimately have to decide it. Nothing has been decided at
13 all on this case. That's what we're doing right now, is
14 taking -- taking testimony.

15 MR. SMITH: Just comments.

16 CHAIRMAN CLAYTON: Yes.

17 MR. SMITH: Well, thank you. I
18 appreciate the opportunity to do that.

19 CHAIRMAN CLAYTON: Appreciate you
20 coming.

21 JUDGE STEARLEY: Commissioner Davis, do
22 you have any questions for Mr. Smith?

23 COMMISSIONER DAVIS: No questions, sir.

24 Thank you.

25 MR. SMITH: Thank you.

1 JUDGE STEARLEY: That completes my
2 sign-up sheets, but I do want to open the floor up to
3 anybody who's here and would like to offer any comments or
4 any testimony. I'm not seeing any responses.

5 Our staff does have information sheets which
6 has information on it which gives you various options for
7 presenting comments. You can file written comments with
8 the Commission by mailing them, you can phone in comments,
9 you can log on to the Commission's website and post
10 comments electronically. So we do have a variety of
11 different forums here in addition to offering specific
12 testimony.

13 And again, as the Chairman has pointed out,
14 I would encourage if any of you have specific questions,
15 take advantage of the opportunity that we have staff
16 members here on location, and the company itself has
17 representatives here as well.

18 Do any of the Commissioners have any closing
19 remarks?

20 CHAIRMAN CLAYTON: Thank you for
21 coming.

22 COMMISSIONER DAVIS: No. Thank you.

23 JUDGE STEARLEY: All right. Very well.
24 The local public hearing in File No. ER-2010-0036 is hereby
25 adjourned. Thank you.

1 (Thereupon, the proceedings were
2 concluded at 7:14 p.m.)

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