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PUBLIC SERVICE COMMISSION
TRANSCRIPT OF PROCEEDINGS

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*Missouri
Public Service Commission*

In the Matter of the Application)
of Kansas City Power & Light)
Company for Approval to Make)
Certain Changes in Its Charges) Case No. ER-2007-0291
for Electric Service to)
Implement Its Regulatory Plan)

RONALD D. PRIDGIN, Presiding
SENIOR REGULATORY LAW JUDGE
CONNIE MURRAY,
STEVE GAW,
ROBERT M. CLAYTON, III,
LINWARD "LIN" APPLING
COMMISSIONERS

REPORTED BY: Nicole M. Calcara, CSR

1 MR. PRIDGIN: Good afternoon. We are
2 on the record. The Missouri Public Service
3 commission has set this time for a local
4 public hearing in case number ER 2007 0291.
5 The Missouri Public Service Commission
6 regulates the rates charged by investor
7 owned utilities companies in Missouri to
8 ensure that those rates are just and
9 reasonable. The Commission also regulates
10 the quality of service and safety of the
11 operations of those utilities. The
12 Commission is made up of five commissioners.
13 They are appointed by the governor to fixed
14 terms and confirmed by the Senate. The
15 commissioners employ a staff of engineers,
16 accountants, attorneys, financial analysts
17 and other specialists in the field of
18 utility regulation. I am Ron Pridgin. I am
19 a regulatory law judge for the Commission
20 and I will preside over this afternoon's
21 hearing. With me today on my right is
22 Commissioner Murray and just joining me is
23 Commissioner Appling. This is an official
24 hearing of the Missouri public service
25 commission and the statements and testimony

1 of witnesses will be recorded by the court
2 reporter and must be given under oath. All
3 of the commissioners will have the chance to
4 read all of your remarks. The purpose of
5 this hearing is to hear from you. The
6 company will not present witnesses today.
7 We will not answer questions during the
8 hearing. This is your chance to testify and
9 your remarks will be made a part of the
10 official record of this case. When your
11 name is called, please come forward to the
12 witness area and I will ask you to raise
13 your right hand to be sworn. And I'll have
14 a few preliminary questions for you such as
15 your name and address and whether you're a
16 KCP&L customer. If for religious reasons
17 you do not wish to be sworn, if you'll
18 please let me know and I'll ask your
19 testimony to be affirmed instead. Does
20 anyone have any questions before we begin?
21 All right. Hearing no questions, we will
22 begin local public hearing in case number ER
23 2007 0291. I would like to get entries of
24 appearance from counsel beginning with the
25 general counsel.

1 MR. WILLIAMS: Nathan Williams, P.O.
2 Box 360, Jefferson City, Missouri, 65102,
3 appearing on behalf of the Public Service
4 Commission.

5 MR. PRIDGIN: On behalf of the Office
6 of Public Counsel?

7 MS. BAKER: Thank you, Your Honor.
8 Christina Baker, Assistant Public Counsel,
9 P.O. Box 2230, Jefferson City, Missouri,
10 65102, appearing on behalf of the Office of
11 Public Counsel.

12 MR. PRIDGIN: On behalf of Kansas City
13 Power & Light, please?

14 MR. BLANK: Curtis Blank on behalf of
15 Kansas City Power & Light. My address is
16 1201 Walnut, Kansas City, Missouri, 64106.

17 MR. PRIDGIN: Mr. Blank, thank you.
18 Any further counsel who wish to enter an
19 appearance? All right. Hearing none, I
20 would like to take the first witness,
21 please. Mr. Ochoa, do you have that witness
22 list available?

23 MR. OCHOA: First witness is Anne
24 McGregor.

25 MR. PRIDGIN: All right. If you would

1 please come forward and be sworn.

2 ANNE MCGREGOR,

3 called as a witness, being sworn, testified as
4 follows:

5 MR. PRIDGIN: If you would, please,
6 state your name for the record and spell
7 your name for the court reporter.

8 MS. MCGREGOR: Anne McGregor, A-n-n-e,
9 M-c capital G-r-e-g-o-r.

10 MR. PRIDGIN: And your address, please.

11 MS. MCGREGOR: 400 East 43rd Street,
12 Kansas City, Missouri, 64110.

13 MR. PRIDGIN: And are you a customer of
14 Kansas City Power & Light?

15 MS. MCGREGOR: Yes, I am.

16 MR. PRIDGIN: And, Mr. Crumley, I don't
17 know if that is something you can remedy or,
18 I can hear Ms. McGregor, but she is a little
19 faint.

20 MS. MCGREGOR: I'll speak up.

21 MR. PRIDGIN: That is wonderful. Just
22 like that. Do you have a statement for the
23 commissioners, ma'am?

24 MS. MCGREGOR: Yes, I do.

25 MR. PRIDGIN: Whenever you're ready.

1 MS. MCGREGOR: Kansas City Power &
2 Light is currently using coal as its primary
3 fuel for generating electricity in and
4 around the Kansas City area. The plants
5 that generate this power have carbon and
6 other green house gas emissions, and it is
7 my understanding that the mainstream energy
8 industry personnel agree that energy
9 efficiency in conservation is the cheapest
10 cleanest source of energy that is available
11 to us. In fact, the vice chairman of
12 Chevron has said that efficiency and
13 conservation are the best source of new
14 energy. Energy Secretary Sam Bodman has
15 said the cheapest cleanest most abundant
16 energy source America can access is the
17 energy that we waste. The National
18 Petroleum Council recommended, quote,
19 stemming growing energy demand by increasing
20 efficiency. And according to the National
21 Action plan for Energy Efficiency, quote,
22 well designed energy efficiency programs are
23 saving energy at an average cost of one half
24 to two thirds of the typical cost of new
25 power sources. Yet KCP&L has not done

1 everything reasonable to get its customers
2 to use less energy. I don't believe that
3 they should be compensated for using more
4 coal without having first instituted
5 programs to increase efficiency and decrease
6 consumption by their customers. These
7 practices are not in the best interest of
8 the public. And since it is the duty of the
9 Missouri Public Service Commission to, and
10 I'll just quote this handout that was just
11 given to me, to ensure the public has access
12 to safe reliable and reasonably priced
13 utility service, that they would not be
14 fulfilling their duty to approve a raise
15 increase that is going to pay for coal fire
16 power plants without first having instituted
17 programs that would encourage conservation
18 and efficiency. And since the Commission
19 must approve, quote, prudently incurred
20 expenses, I would suggest that these
21 expenses are not prudently incurred because
22 they are not pursuing the cheapest cleanest
23 sources of electricity that are available to
24 us.

25 MR. PRIDGIN: Ms. McGregor, thank you.

1 Does that conclude your statement?

2 MS. MCGREGOR: Yes, it does.

3 MR. PRIDGIN: Let me see if we have
4 some questions from the commissioners.
5 Commissioner Murray, any questions?

6 MS. MURRAY: I have no questions, but
7 thank you for your testimony.

8 MR. GAW: Ms. McGregor, can you hear me
9 okay?

10 MS. MCGREGOR: Yes, I can.

11 MR. GAW: I just wanted to ask you if
12 you have any specific proposals that you
13 would like to put forward, have you thought
14 about anything that would be helpful if they
15 would implement programs along a certain
16 line? I would like to hear about it.

17 MS. MCGREGOR: Yes. In 2006 the
18 Department of Energy and the Environmental
19 Protection Agency facilitated the
20 publication of the National Action Plan for
21 energy efficiency, and in that there are a
22 number of, not a number of, it is a 300-page
23 report, they go into extensive detail about
24 what utilities can do specifically to
25 accomplish these goals.

1 MR. GAW: I'm familiar with that
2 report. I appreciate you mentioning it. In
3 regard to -- I cannot remember whether this
4 is specifically in there, would you be in
5 favor of offering a less expensive rate for
6 individuals, for businesses that had a
7 certain level of efficiency built into their
8 homes or businesses?

9 MS. MCGREGOR: Yes, I believe that
10 would be a market signal that would
11 encourage the use of efficient technology
12 and conservation.

13 MR. GAW: Have you had an opportunity
14 to look at any agreements that might have
15 been entered into between I believe the
16 Sierra Club and KCP&L in the last few months
17 in regards to forward looking planning?

18 MS. MCGREGOR: I know of the existence
19 of that agreement and I have not read it
20 thoroughly. I've just scanned it.

21 MR. GAW: And the reason I'm asking you
22 is, is if you have feedback on that
23 document, if you have a chance to review it
24 and want to submit written comments about
25 it, I would certainly take those, I think.

1 MS. MCGREGOR: Okay. I will do that.

2 MR. GAW: That is all I have, Ms.

3 McGregor. Thank you very much for coming
4 in. I appreciate your input.

5 MR. PRIDGIN: Commissioner Gaw, thank
6 you. Commissioner Clayton?

7 MR. CLAYTON: I don't have any
8 questions. Thank you for appearing.

9 MR. PRIDGIN: Commissioner Applling?

10 MR. APPLING: I don't have any
11 questions. Again, thank you for coming in.

12 MR. PRIDGIN: Ms. McGregor, I have no
13 questions, so thank you very much for your
14 testimony and taking the time to come out
15 today. Thank you. All right. Mr. Ochoa,
16 if you would call the next witness, please.

17 □ MR. OCHOA: Joe Becker.

18 JOE BECKER,
19 called as a witness, being sworn, testified as
20 follows:

21 MR. PRIDGIN: Please state your name
22 for the record and spell your name for the
23 court reporter.

24 MR. BECKER: My name is Joseph Becker,
25 J-o-s-e-p-h, Becker, B-e-c-k-e-r.

1 MR. PRIDGIN: And are you a customer of
2 Kansas City Power & Light?

3 MR. BECKER: Yes, sir.

4 MR. PRIDGIN: All right. Do you have a
5 statement for the Commission, sir?

6 MR. BECKER: I would like to do so. I
7 have a statement in writing and I will give
8 five copies for the commissioners that I
9 trust someone will deliver to them in a
10 timely manner. Commissioners of our Public
11 Service Commission, I would like to
12 introduce myself. I am Joseph Becker,
13 manager of plant operations for North Kansas
14 City Hospital, which is located in North
15 Kansas City, Missouri. North Kansas City
16 Hospital is the sole hospital of North
17 Kansas City, Missouri, which was organized
18 under the charter and the chapter of 96.150
19 dash 96.228 of the revised statutes of
20 Missouri. We are an acute care hospital
21 licensed in the state of Missouri for 451
22 inpatient beds. North Kansas City Hospital
23 resides on a 77 acre campus that consists of
24 one point four million square feet of
25 finished and conditioned space that's

1 dedicated to our patient care services, our
2 outpatient care services and our physicians'
3 offices. North Kansas City Hospital this
4 past year had a positive budgeted net
5 operating margin of only 2.9 percent for our
6 fiscal year that ended June 30th, 2007.
7 Expenses from our operations included
8 salaries of approximately 2500 employees,
9 that is a positive impact to our community
10 and our local economy of 120 million
11 dollars, supplies and purchased services
12 from our local community that has a positive
13 impact on our economic local economy of 108
14 eight million dollars, expenses for free
15 charity care of close to six million
16 dollars, covering the under-insured at our
17 hospital for 43 million dollars. North
18 Kansas City Hospital supported the community
19 needs this past fiscal year with 5,900
20 inpatient surgeries, 9,600 outpatient
21 surgeries, 57,500 emergency room services,
22 the highest in the community for several
23 years now. Also 1,880 deliveries of
24 newborns. North Kansas City Hospital is a
25 not for profit organization. We provide

1 essential care, health care services to our
2 community in the Northland areas of Greater
3 Kansas City. We do so without any tax funds
4 from our local residents or any local sales
5 taxes whatsoever. North Kansas City
6 Hospital is very much like Kansas City Power
7 & Light in that we provide essential public
8 services to our communities. However, North
9 Kansas City Hospital does not enjoy the
10 monopoly status within our Greater Kansas
11 City area like Kansas City Power & Light
12 enjoys with their business model. North
13 Kansas City Hospital's business success is
14 based solely on our performance and the
15 satisfaction of our customers and our
16 physicians. Ending our fiscal year June
17 30th, 2007, north Kansas City Hospital spent
18 1.8 million dollars with Kansas City Power &
19 Light for electrical service. With Kansas
20 City Power & Light's rate increase in
21 January of this year, North Kansas City
22 Hospital's electrical costs increased for
23 the same amount of service an additional
24 \$85,000 approximately between January and
25 June. Our electrical costs will increase

1 for the same amount of service to
2 approximately \$171,000 by December 2007.
3 Kansas City Power & Light's proposed rate
4 increase for 2008 for the same amount of
5 service I'm going to receive would be
6 approximately \$160,000 more to North Kansas
7 City Hospital for their electricity. This
8 2008 rate increase will cost North Kansas
9 City Hospital approximately \$330,000 more
10 annually to purchase the same electricity
11 from Kansas City Power & Light than we did
12 just two years ago. North Kansas City
13 Hospital is keenly aware of the economic
14 pressures to be profitable yet competitive
15 as we use our meager net operating profits
16 to fund our salaries of our staff, to fund
17 increased costs for supplies and services
18 and to fund our capital investments. We
19 have managed to grow our business and to
20 meet our community's needs with our small
21 profit margins. Kansas City Power & Light
22 is a large monopoly and has done a good job
23 of using technology and other business
24 strategies to keep their costs in line over
25 the past few decades. However, they have

1 less risk to their business operations
2 because of the monopoly status. North
3 Kansas City Hospital agrees that Kansas City
4 Power & Light should be allowed a sufficient
5 compensation for their generated electricity
6 in order to cover their prudent and
7 reasonable expenses. However, the profit
8 margin that you allow should be modest and
9 reasonable. Their profit margin or their
10 rate of return should not be excessive or
11 unreasonably high. In summary, North Kansas
12 City Hospital is considered a large business
13 in the Kansas City area. We provide
14 services in a very competitive health care
15 market that requires our profit margins to
16 be low for competitive purposes. This
17 Midwest region has enjoyed low electrical
18 costs of other states and more so than other
19 states have experienced and this has allowed
20 larger businesses like North Kansas City
21 Hospital as well as smaller businesses to
22 succeed. With the new proposed rate
23 increase by Kansas City Power & Light we
24 would struggle to maintain financially sound
25 as will many other businesses in the Kansas

1 City area. The PSC needs to consider the
2 economic impact to this rate increase in the
3 future rate increases like this increase
4 will have on the Kansas City business
5 environment. North Kansas City Hospital
6 does not support the rate of return of what
7 it requested by Kansas City Power & Light in
8 their request, thus we ask the Public
9 Service Commission to approve a rate of
10 return that is less than or equal to the
11 recommendations of the PSC staff. Thank you
12 for your time and for hearing my input.

13 MR. PRIDGIN: Mr. Becker, thank you.
14 Did I understand you wanted to submit your
15 written documents for the Commission?

16 MR. BECKER: I have five copies, yes.

17 MR. PRIDGIN: All right. Very good.

18 Mr. Ochoa, if I can just trouble you to
19 bring a copy of those back with you, and
20 I'll label that as Exhibit No. 1 in today's
21 hearing. Mr. Becker, let me see if we have
22 any questions from the commissioners.

23 Commissioner, Murray any questions for Mr.
24 Becker?

25 MS. MURRAY: No questions.

1 MR. PRIDGIN: Commissioner Gaw?

2 MR. GAW: Mr. Becker, do you have any
3 participation in any special tariffs with
4 KCP&L with regard to rates or demand or
5 anything of that sort that would
6 differentiate you from other takers of
7 electricity off the system?

8 MR. BECKER: No, sir. We do the
9 standard rate for large volume use.

10 MR. GAW: Are those, are there -- is
11 your all's load pretty much consistent
12 throughout the day, it's probably not,
13 doesn't vary too much other than
14 airconditioning, would that be right?

15 MR. BECKER: We do have a large base
16 load we call it and then during the
17 summertime we are very subject to the
18 temperature of outside air and the impact
19 that it has on our buildings by outside air
20 coming in as well as thermal loads from the
21 sun.

22 MR. GAW: Is there anything in
23 particular that would be helpful to the
24 hospital in regard to being able to shift
25 load around from a demand response

1 standpoint, if you know what I'm saying when
2 I'm asking that question, that has been made
3 available to you or that you think that
4 should be made available to you?

5 MR. BECKER: At this time we do not
6 have the capital infrastructure to do any
7 load shifting to any significant degree
8 without jeopardizing our emergency service
9 as we are required to have for immediate
10 response to needs of failure of electrical
11 distribution.

12 MR. GAW: From the standpoint of the
13 rate increase that you were looking at from
14 this proposal, is it your belief that the
15 rate increase is -- give me, if you can,
16 another response other than your prepared
17 documents in regard to what that rate
18 increase will do to your ability to continue
19 hospital operations. Is it a question of
20 having to raise your, the rates that you
21 charge, is it a question of not being able
22 to continue to operate? How significant is
23 the impact that is being questioned?

24 MR. BECKER: The impact would be,
25 specifically it takes from our bottom line,

1 our net profit operations which impacts
2 wages, ability to pay for increased supplies
3 and services and also the ability to return
4 some of our earnings into infrastructure
5 improvements and then also that would, like
6 everything else, put pressures economically
7 on us. We would figure those costs of
8 service into our rate increases, I suppose,
9 through our negotiation processes for our
10 provider insurance groups. But I'm not
11 familiar with that organization side to give
12 you a good answer.

13 MR. GAW: I think that is all I have,
14 sir. Thank you very much for coming.

15 MR. CLAYTON: Mr. Becker, I just had a
16 few questions, with regard to the last rate
17 increase that KCP&L would have had which
18 would have been in the last 12 months, did
19 you say in your testimony, we cut out a
20 little bit, did you offer any testimony on
21 the impact of that last rate increase that
22 you faced between before and after your
23 utility expenses?

24 MR. BECKER: We did not have any input
25 in the last rate increase request that began

1 in January of '07?

2 MR. CLAYTON: I understand there was a
3 rate increase. Do you recall, do you
4 remember the bills changing from the last
5 rate increase in the last year?

6 MR. BECKER: Yes, sir. I've got that
7 pretty well documented in my information in
8 there as to the impact of the last six
9 months of that increase over the previous
10 same consumption rates of electricity.

11 MR. CLAYTON: What was that difference,
12 do you recall?

13 MR. BECKER: Close to \$85,000 between
14 January and June of 2007.

15 MR. CLAYTON: My last line of
16 questions, are you satisfied with the
17 quality of service that you receive, do the
18 lights stay on or do you have any problems
19 with a need for back-up generation, can you
20 give me an idea of how, whether or not you
21 are satisfied with the quality of service?

22 MR. BECKER: Quality of service we get
23 provided from them is what I would call a
24 tier one which is about the best you could
25 get for the type of service they provide for

1 us for the level of quality we pay for.

2 MR. CLAYTON: So you don't have any
3 reliability concerns?

4 MR. BECKER: No, I don't have any
5 reliability issues.

6 MR. PRIDGIN: Commissioner Appling.

7 MR. APPLING: Mr. Becker, thank you for
8 coming in. I have no questions for you.
9 Thank you.

10 MR. PRIDGIN: I have no questions Mr.
11 Becker. Thank you for taking the time to
12 testify today.

13 MR. OCHOA: Karen Stumbaugh.

14 KAREN STUMBAUGH,
15 called as a witness, being sworn, testified as
16 follows:

17 MR. PRIDGIN: Would you please state
18 and spell your name for the court reporter?

19 MS. STUMBAUGH: Yes. My name is Karen
20 Stumbaugh. The last name is
21 S-t-u-m-b-a-u-g-h.

22 MR. PRIDGIN: And are you a customer of
23 Kansas City Power & Light?

24 MS. STUMBAUGH: Yes, I am.

25 MR. PRIDGIN: Whenever you are ready,

1 you may make your statement to the
2 Commission.

3 MS. STUMBAUGH: I'm sorry. I'm having
4 trouble hearing. Got a bad ear here.

5 MR. PRIDGIN: That's okay. Whenever
6 you are ready.

7 MS. STUMBAUGH: I am a 67 year old
8 retired person, and while I conserve my
9 energy, I cut back, I don't waste, I use
10 energy efficiency, you know, products and
11 like many others, it seems like the more we
12 conserve and cut back, we aren't gaining any
13 ground at all. It seems like the utility
14 company, Kansas City Power & Light, if they
15 look at your bill, read your meter and they
16 see that you cut back, the rates still go up
17 for, keeps going up and up, whether we
18 conserve or not, and it is a no-win game.
19 Also, I don't think the customers should be
20 paying for their equipment, their
21 investments, their stockholders or whatever
22 they -- their dividends back, their postage
23 and all that other stuff. I don't think
24 that is our problem. I mean, we should just
25 be paying for the electricity we use, the

1 cost of getting it to our home and any
2 necessary taxes. That's it. Period. No
3 more. No less. And a person on a fixed
4 income, we are not going to make it. Every
5 year, it seems one rate increase, you get it
6 and then they come back and they ask for
7 another one. I know that was mentioned this
8 morning. I asked the question and a
9 gentleman explained it. I understood what
10 the man was saying, but it's one right after
11 another. It's got to end somewhere.
12 Because none of us are going to make it.
13 The old aren't going to make it, No. 1, and
14 the working poor aren't going to make it and
15 the ones who have got money, they are not
16 going to make it either. We are all in the
17 same boat. And I really feel that any
18 utility that comes before you Kansas City
19 Power & Light, the gas company, they
20 shouldn't be just giving it left and right
21 left and right. It should be a little more
22 clamping down, a little more investigation,
23 making them more accountable. And because
24 you make the decision. You are the boss up
25 there. That's all I've got to say. Thank

1 you.

2 MR. PRIDGIN: All right. Thank you
3 very much. Let me see if we have any
4 questions for you. Commissioner Murray, any
5 questions?

6 MS. MURRAY: No questions. Thank you.

7 MR. PRIDGIN: Commissioner Gaw?

8 MR. GAW: Ma'am, thank you very much
9 for coming and I appreciate what you are
10 saying, believe me.

11 MS. STUMBAUGH: Thank you, sir.

12 MR. GAW: I want to ask you,
13 Commissioner Clayton asked this question a
14 little bit earlier of the last witness, did
15 you notice a significant change or a change
16 in your electricity bill after the last rate
17 case?

18 MS. STUMBAUGH: Yes.

19 MR. GAW: Do you know about how much
20 you saw, did you look at that before you
21 came today?

22 MS. STUMBAUGH: I would say it was
23 about like two, three dollars more. But
24 what I'm saying is this, sir, you know, like
25 I said, if I use my electricity and don't

1 care and like I can't use airconditioning
2 and I have a bad health problem, this year,
3 I was forced to put an air conditioner in
4 because I almost died with this heat thing.
5 I'm thankful for the airconditioning and I'm
6 thankful for the Power and Light's
7 electricity, but I'm wondering, wow, how
8 much more is that going to jack up my bill?
9 Because I set -- I use so much. I know what
10 my bill is going to be about every month and
11 I don't go beyond that. Of course, you
12 know, if you use more, yes, I ain't
13 complaining about that. I'm complaining
14 about the continuous, if it isn't the gas,
15 it's the lights, it seems like, hey, it's my
16 turn. I'm missing out on something, you
17 know. And it's hard. It's hard on all of
18 us. So I appreciate you listening.

19 MR. GAW: I appreciate you coming and
20 talking to us. We need to hear from you.
21 Thank you very much, ma'am.

22 MR. PRIDGIN: Commissioner Clayton, any
23 questions?

24 MR. CLAYTON: My only question, you
25 mentioned that you are trying to use less

1 power. Did I hear that correctly?

2 MS. STUMBAUGH: Do I what?

3 MR. CLAYTON: You are trying to use
4 less electricity, you are trying to save and
5 be more efficient?

6 MS. STUMBAUGH: Like when I go out, you
7 know, that phantom electricity use, I unplug
8 all, like my TV, radio, not my refrigerator
9 of course, my microwave isn't plugged in, my
10 fans aren't plugged in. My airconditioning
11 is off. It is not just shut off. It's
12 unplugged because I know it still drags that
13 electricity in. My coffee pot, all that
14 adds up. And I don't have every light in
15 the house burning. And I don't -- I use
16 what I need and that's it.

17 MR. CLAYTON: I understand. I
18 appreciate those efforts. I think you are
19 the first person that I've heard take all of
20 those steps to try to conserve energy, so I
21 compliment you on that. But I wanted to
22 ask, have you ever spoken with Jackson
23 County about their energy efficiency or
24 conservation program?

25 MS. STUMBAUGH: Have I heard of it?

1 MR. CLAYTON: Have you heard of them or
2 ever talked to Jackson County or the City of
3 Kansas City about energy efficiency or
4 conservation, programs that may be available
5 that may have some assistance?

6 MS. STUMBAUGH: No.

7 MR. CLAYTON: You never use those.
8 Okay. Thank you very much.

9 MS. STUMBAUGH: Okay.

10 MR. APPLING: Ma'am, thank you for
11 coming in. I have no questions for you.
12 Thank you.

13 MR. PRIDGIN: I have no questions.
14 Thank you very much for coming in to testify
15 today. I appreciate it. Thank you.

16 MR. OCHOA: Mr. Frenzel.

17 STANFORD FRENZEL,
18 called as a witness, being sworn, testified as
19 follows:

20 MR. PRIDGIN: If you would please state
21 your name and spell your name for the court
22 reporter.

23 MR. FRENZEL: My name is Stanford
24 Frenzel, Stanford is S-t-a-n-f-o-r-d.
25 Frenzel is F-r-e-n-z-e-l. I live at 209

1 Northeast 40th Terrace, Kansas City, MO.

2 And I am a Kansas City P&L customer.

3 MR. PRIDGIN: Any time you are ready,
4 you may make your statement to the
5 Commission.

6 MR. FRENZEL: I noticed from your
7 information that the Commission is
8 responsible to regulate electric, gas,
9 water, sewer as well as telephone companies.
10 And I think before I criticize K.C. Power &
11 Light, I also should acknowledge something
12 that I think was a very ethical thing they
13 did a couple of years ago, which I wish that
14 all their sister utilities and the Missouri
15 Power Commission would insist that those
16 other utilities follow the lead of K.C.
17 Power & Light, in 2005 K.C. Power & Light
18 sent a letter to all of us asking if we were
19 worried about our privacy and would they, if
20 we would sign a form, they would remove our
21 Social Security information from their
22 records. I considered that to be highly
23 honorable. I considered it to be of great
24 integrity as a public company. And I wish
25 that every other organization and utility

1 would follow suit. They refuse because they
2 have their own devices at hand. So I would
3 ask, No. 1, that the Commission ask the rest
4 of these companies to stand up the way
5 Kansas City Power & Light has done. Now
6 it's time to criticize. My criticism of
7 K.C. Power & Light is that they've already
8 got their increase, and their increase has
9 been ongoing on a continuing basis and they
10 have failed to acknowledge it to the public
11 at large, because if you look at their
12 bills, their bills have a charge on the back
13 for customer service. I pay KCP&L \$6.88 for
14 customer service, which I never use. That's
15 charged to me every month of the year, all
16 along. Now, when I first started buying
17 from KCP&L back in '05 they charged me \$6.11
18 for customer service. Now, if you take
19 \$6.88 times their numbers, a half a million
20 customers, you'll find that they are
21 dragging about 3 1/2 million dollars a month
22 in fees which aren't really necessary to the
23 supply of public electricity. That 3 1/2
24 million dollars times one year comes up to
25 be a little over 42 million dollars, and

1 they are asking for a 45 million dollar
2 increase. They've already got our money.
3 They've already got the money. And they've
4 got the interest from it. So this whole
5 instance of starting to file for an increase
6 back in February of '07 when they've already
7 had the money really is kind of a facade.
8 And it's kind of -- when having so much
9 integrity about our Social Security numbers
10 on one side and then losing it on the
11 billing on the other side, because everybody
12 in this market is already paying for the
13 fee. And so I ask the Commission to go back
14 and examine the amount of franchise taxes
15 that are being collected and how they are
16 being applied and the interest that is being
17 earned from those. I ask the commission to
18 go back and look at this customer service
19 charge that everybody gets charged, whether
20 you call them or not, and find out how much
21 money is gained from that and the interest
22 on those revenues. And my guess is as an
23 old business man of a long, long time, there
24 is your 45 million already there. And this
25 whole meeting is without cause. And that is

1 the end of my comment.

2 MR. PRIDGIN: Mr. Frenzel, thank you
3 very much. Let me see if we have any
4 questions from the Commissioners.
5 Commissioner Murray?

6 MS. MURRAY: No questions.

7 MR. GAW: Mr. Frenzel, if you would
8 pull that bill back out again, can you, and
9 I'm not going to ask you for the dollar
10 figures, you might want to keep that to
11 yourself or not, it's up to you, I'm
12 interested in what else is on that bill in
13 regard to categories. Is it possible --

14 MR. FRENZEL: I have a charge on the
15 bill for energy charge. Then I have --
16 which is the electricity itself. By the way
17 you asked the other lady a question, in two
18 years my electrical charge went up 29.8
19 percent, and I live in a very, very small
20 efficiency apartment, less than --

21 MR. GAW: So you attribute that to the
22 increase in rate?

23 MR. FRENZEL: That is correct. And it
24 can't be -- it couldn't be usage because I
25 happen to basically work second shift so I'm

1 never -- I'm never in my apartment on those
2 afternoon and evening hours where you would
3 be consuming the most energy.

4 MR. GAW: Okay.

5 MR. FRENZEL: Also then it says the
6 customer charge of \$6.88, then you have
7 Kansas City franchise fees. And I believe
8 those are the only other charges on the
9 bill.

10 MR. GAW: Do you know whether the form
11 of that bill changed after the last rate
12 case?

13 MR. FRENZEL: Rephrase your question.

14 MR. GAW: Do you know whether the form
15 of your bill changed after the last rate
16 case?

17 MR. FRENZEL: No. They are both the
18 same. They are both the same.

19 MR. GAW: They are?

20 MR. FRENZEL: Yes.

21 MR. GAW: Okay. Thank you very much,
22 sir. I appreciate your time and your
23 comments.

24 MR. CLAYTON: Yes, sir. Are you
25 satisfied with the quality service that you

1 receive, do the lights stay on, is it
2 reliable, does it work when you want it to
3 work?

4 MR. FRENZEL: As far as the service
5 that this company provides to this
6 community, I agree with the gentleman from
7 the hospital, they would have to be given
8 extremely high marks for their service and
9 their follow-through and their overall
10 maintenance and care of things. I don't
11 think KCP&L could be faulted in any of those
12 regards.

13 MR. GAW: That is a pretty
14 comprehensive answer. Thank you very much.

15 MR. APPLING: Thank you very much, sir.
16 I enjoyed your comments and I appreciate you
17 coming in today. Thank you.

18 MR. PRIDGIN: Mr. Frenzel, thank you
19 for your testimony today, sir. Mr. Ochoa,
20 do we have any further witnesses?

21 MR. OCHOA: There is no one else on the
22 sign-up sheet. Does anyone else wish to
23 speak? I don't see anyone else, Your Honor.

24 MR. PRIDGIN: Mr. Ochoa, thank you. Is
25 there anything from counsel before I

1 adjourn? All right. Hearing nothing, we
2 will adjourn this afternoon's public hearing
3 in Case Number ER 2007 0291. Thank you very
4 much. We are off the record.

5 * * * * *

C E R T I F I C A T E

I, NICOLE M. CALCARA, Certified Shorthand Reporter, do hereby certify that I appeared at the time and place hereinbefore set forth; I took down in shorthand the entire proceedings had at said time and place, and the foregoing 34 pages constitute a true, correct and complete transcript of my said shorthand notes.

Certified to this 29th day of August,
2007.

Nicole M. Calcara

Certified Shorthand Reporter

