

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
3
4 TRANSCRIPT OF PROCEEDINGS
5 Local Public Hearing
6 January 20, 2010
7 University of Missouri - St. Louis
8 Volume 11
9 In the Matter of Union)
Electric Company d/b/a)
10 AmerenUE's Tariffs to) File ER-2010-0036
Increase its Annual)
11 Revenues for Electric Service)
12
13 Nancy Dippell, Presiding
Deputy Chief Regulatory Law Judge
14 Jeffrey Davis,
Robert Kenney,
15 Commissioners
16
17 Jennifer Hernandez, Staff Attorney
18 Lewis Mills, Office of Public Counsel
19 Wendy Tatro, counsel for AmerenUE
20
21
22 Reported by:
23 Jeanne M. Pedrotty, CCR/CSR
24 Midwest Litigation Services
25

1 JUDGE DIPPELL: Hello, everyone. Thank
2 you for being patient. We're going to go ahead and
3 get started. We'll go on the record. This is case
4 number ER-2010-010. I'm sorry. It's 2010-0036, in
5 the matter of Union Electric Company doing business as
6 AmerenUE Tariff to increase its annual revenues for
7 electric service. My name is Nancy Dippell, and I'm a
8 regulatory law judge who will be presiding over
9 today's hearing. We've come here today for public
10 comment hearing and I'd like to thank the University
11 of Missouri St. Louis for allowing us to use their
12 facility. The Missouri Public Service Commission
13 regulates rates charged by investor-owned utility
14 companies in Missouri to ensure those rates are just
15 and reasonable. The commission also regulates the
16 quality of service and safety of operations of
17 investor-owned utilities. The commission is made up
18 of five commissioners, and with me today are
19 Commissioner Jeff Davis and Commissioner Robert
20 Kenney. We also have a simultaneous hearing in this
21 matter going on at another location. We have the
22 other three commissioners I believe are attending that
23 particular hearing. So we have a court reporter
24 taking down a transcript of what will be said here
25 today and those commissioners will be able to review

1 that as well. Commissioners, would you like to make
2 any opening remarks? Commissioner Kenney,
3 Commissioner Davis?

4 COMMISSIONER DAVIS: I want to say thank
5 you formally for hosting us and I look forward to
6 hearing your comments. We can't fix problems if we
7 don't know about them. So I appreciate you coming out
8 today and I know it doesn't seem like there is a lot
9 of people here, but it's important and we want to hear
10 from you.

11 COMMISSIONER KENNEY: Thanks to UMSL and
12 thank you to all of you that have made the journey out
13 here today. Your input is an integral part of the
14 regulatory process. So you should be aware that you
15 are comments are welcome and encourage and we do
16 appreciate you making those comments apart of the
17 record. Thank you.

18 JUDGE DIPPELL: As I said, because this is
19 an official hearing of the Missouri Public Service
20 Commission we will be taking down the statement under
21 oath or affirmation. And all of the commissioners
22 will have an opportunity then to read those. We also
23 have several staff members here. If you didn't get
24 your questions answered ahead of time, there is a lot
25 of people here from Ameren today that are more than

1 willing to help you if you had any service or billing
2 issues, you need any of those kind of questions
3 answered please feel free to do so after the hearing.
4 The purpose of this hearing, though, is to receive
5 comments from the public regarding the proposed rate
6 increase so the company will not be presenting
7 witnesses and will not answer questions while we're on
8 the record. In the same manner the commission is not
9 here to answer questions while we're on the record
10 either. So if you have any questions you haven't had
11 answered, please stay around after you have given your
12 comments and make sure that those get answered. What
13 will happen is if anyone has been convinced to sign up
14 and come up and testify which we would like to hear
15 from you, I will call you up to the podium here and
16 give you an oath or affirmation and ask you for your
17 comments. Was there anyone that did sign on the sign
18 up sheet? Anyone care to testify, go ahead and come
19 forward, sir.

20 MR. DAYS: Good morning.

21 JUDGE DIPPELL: Good morning. Could you
22 raise your right hand. Do you solemnly swear or
23 affirm that your testimony you're about to give at
24 this hearing shall be the truth, the whole truth, and
25 nothing but the truth?

1 MR. DAYS: Yes, I do.

2 JUDGE DIPPELL: Could you state your name
3 and spell it for the court reporter?

4 MR. DAYS: Frank Days; D-a-y-s.

5 JUDGE DIPPELL: Thank you. Go ahead and
6 give us your comments.

7 MR. DAYS: Well, my thoughts are that --
8 and hopefully I can represent the senior citizens of
9 the community here. I'm 65 years old, on Medicare and
10 just for this year we've -- the Medicare rates have
11 gone up. You're aware we on Social Security did not
12 get a cost of living increase, prescription drug costs
13 are up for me probably about 39 percent, and now we're
14 talking about 17.95 percent for Union Electric rates.
15 On a fixed income it's very difficult to maintain your
16 head above water when you have all of the rates and
17 things that are going up continually like that. I
18 think I asked someone, what kind of profits did union
19 electric make last year.

20 JUDGE DIPPELL: And you're not going to get
21 an answer to that right here. Hopefully, somebody can
22 tell you that afterwards. I don't know the answer.

23 MR. DAYS: Well, basically, what I'm trying
24 to find out is how much profit they made. I know on
25 my savings account I only got about one percent. So,

1 if -- well, I don't want to put any projections in
2 there on anything so basically what I'm trying to say
3 is that as a senior citizen everything is going up for
4 us including medical costs and drug prescription
5 coverage and so forth, and, of course, utilities,
6 food. They are all going up and it makes it more
7 difficult for us to maintain an even keel at home. So
8 that's basically what I wanted to say.

9 JUDGE DIPPELL: Thank you. Let me see just
10 one moment if there are any questions that the
11 commissioners would like to ask you. Commissioner
12 Davis --

13 COMMISSIONER DAVIS: No, I don't think so.
14 But thank you for coming, Mr. Days. And certainly we
15 do understand there are a lot of people out there like
16 you. We have already heard from a lot of people who
17 are similarly situated, and I'm sure we're going to
18 hear from a lot more. Thank you for coming.

19 JUDGE DIPPELL: Commissioner Kenney, do you
20 have any questions?

21 COMMISSIONER KENNEY: No questions, but
22 thanks for taking the time to come out.

23 JUDGE DIPPELL: I forgot to introduce
24 earlier our public counsel, Mr. Mills, whose job it is
25 to represent the rate payers in front of the Public

1 Service Commission. Do you have any question?

2 MR. MILLS: I don't have any questions, but
3 thanks for your testimony. And I can answer your
4 question while we're off the record.

5 JUDGE DIPPELL: I didn't allow the
6 attorneys to make their entries of appearance. Was
7 there any?

8 MS. TATRO: No.

9 JUDGE DIPPELL: Thank you, Mr. Days. I
10 appreciate it. Is there anyone else who would like to
11 testify? Please come forward. Do you solemnly swear
12 or affirm that the testimony you're about to give at
13 this hearing will be the truth, the whole truth, and
14 nothing but the truth?

15 MR. POTTER: I do.

16 JUDGE DIPPELL: If you can state your name
17 and spell it for us please?

18 MR. POTTER: Tom Potter; P-o-t-t-e-r.

19 JUDGE DIPPELL: Go ahead, Mr. Potter.

20 MR. POTTER: I appreciate the opportunity,
21 first of all, to take a few minutes to offer some
22 opinions on this proposal. And I'm being a little
23 redundant, but you heard this before, too. I think
24 this particular amount of increase, 18 percent,
25 strikes me as a bit -- quite a bit greater than most,

1 I think, folks can sustain. I think in this recession
2 environment and certainly with unemployment that's at
3 ten percent and likely to remain this way all of this
4 year and may be next year, this is not the time for
5 increase in that magnitude. Certainly I think it's a
6 hardship for many. I can't speak for all, but for
7 many senior citizens, they are on fixed incomes and
8 for those that are so constrained, increases of this
9 nature are just too great to be able to bear. I think
10 the gentleman before me just mentioned that the
11 returns on what investments people have are typically,
12 I don't think are approaching 18 percent in our
13 current economy. So as many costs are rising as they
14 are and the magnitude that they are, people are very
15 much losing ground in their ability to sustain
16 themselves. So I think this rate of increase is
17 something that might need to be revisited. Perhaps
18 certainly the utilities has made a good faith effort,
19 I'm sure, in trying to come up with this particular
20 figure. But it still strikes me as being too great.
21 So I would invite the company to go back and look
22 internally to see what kind of reduction might be
23 possible so this rate of increase could be lesser. I
24 have a belief that at least -- and this is not unfair
25 indictment of UE as such, but I think it's indicative

1 of a problem that we face as a state and as a country,
2 that considerable portion of this particular increase
3 is this proposal probably is related to some of the
4 costs related to the UE environmental protection
5 agency regulations, and hopes of trying to protect --
6 and I use that word in very careful terms -- our
7 environment. So many costs associated with trying to
8 conform to regulations, I think has reached a point
9 that it's somewhat run amuck. So we have potentially,
10 some of this rate increase that's reflected in the
11 cost of trying to satisfy the state and federal,
12 especially federal regulations, at a time when our
13 economy cannot afford, I think, the kind of expansive
14 overregulation that the federal government has been
15 attempting. So I think while UE may have made in its
16 best effort to come up with its real cost and its real
17 effort to get this proposal as a correct figure. It
18 still invites, I think, a rethinking. Go back and see
19 what could be done internally to lower that particular
20 rate proposal. The issue of overregulation by the EPA
21 is certainly affects the natural gas utilities; I
22 think any of the utilities. In fact, the whole
23 economy is at risk because of the costs that are
24 exacted by this regulation and this overregulation
25 that inevitably get passed along to the consumer. A

1 consumer cannot sustain this. It makes no sense to
2 try to think this could be done in an economy such as
3 we currently have and with the current state of
4 unemployment. So I think it becomes a matter
5 certainly UE has probably made its effort with its
6 lobbying element, the governmental liaison, that it's
7 incumbent on all of us to make our voices known to the
8 state legislators, to the federal Congress and Senate,
9 our views in terms of making some compromises in
10 what's expected in trying to pursue things such as
11 regulation by EPA, while we all want to protect the
12 environment. And we think green is very good thing
13 and it is. I think in many ways this has gone
14 somewhat crazy. We are at the point as a country
15 where we can't sustain all the things we might want to
16 do at one time. So in sum, I would say that this
17 particular rate increase, I think, would be a hardship
18 for a lot of people. It would certainly be creating
19 some difficulty for some businesses, maybe some
20 businesses could sustain this, but when the profit
21 margins are pretty small, when you have unemployment
22 as you do, all ambition to create employment to put
23 people back at work. These represent to me cost that
24 hurt the whole process of recovery. It's almost as
25 bad -- it's the same in my mind as exacting a tax on

1 people, on the consumers, on businesses. All of that
2 is injurious to any kind of recovery. Thank you.

3 JUDGE DIPPELL: Thank you. Let me see if
4 there are any questions for. Commissioner Davis?

5 COMMISSIONER DAVIS: No. Thank you, Mr.
6 Potter. Thank you for your testimony.

7 COMMISSIONER KENNEY: Thanks for your time
8 and comments. I appreciate it.

9 JUDGE DIPPELL: Mr. Mills?

10 MR. MILLS: No questions. Thank you.

11 JUDGE DIPPELL: Any other questions? Thank
12 you. Thank you, Mr. Potter. Is there anyone else who
13 would like to testify?

14 MS. DIETRICH: We have been in contact with
15 the other location. They are full and they may be
16 sending some people over. So we should know in just a
17 little bit if they are going to sent more people.

18 JUDGE DIPPELL: Thank you. What we'll do,
19 since I skipped entry of the appearance earlier, I'll
20 let the attorneys make their official entries of
21 appearance. We can begin with Mr. Mills.

22 MR. MILLS: Yes. On behalf of the public
23 and Office of Public Counsel, my name is Lewis Mills.
24 My address is Post Office Box 2230, Jefferson City,
25 65102.

1 JUDGE DIPPELL: Ameren.

2 MS. TATRO: On behalf of AmerenUE, Wendy
3 Tatro, 1901 Chouteau Avenue, St. Louis, Missouri,
4 63103.

5 JUDGE DIPPELL: Staff?

6 MS. HERNANDEZ: Good afternoon. My name is
7 Jennifer Hernandez, and I'm appearing for the state of
8 Missouri Public Service Commission. My address is PO
9 Box 360, Jefferson City, MO 65102. And may the
10 record reflect that we also have several staff members
11 here to answer questions including Lisa Ferguson,
12 Kevin Kelly, Lina Mantle, Natelle Dietrich, and
13 Contessa Poole-King. Thank you.

14 JUDGE DIPPELL: Thank you. Are there any
15 other attorneys for parties in this case here? I
16 don't see. Is there anyone else in the room who would
17 like to testify? Okay. Well, seeing none, what we'll
18 do then is we'll take a brief recess and see if we're
19 going to maybe get some people from the other location
20 who want to testify later. So we will go off the
21 record and we can take a 15-minute break.

22 (Whereupon, a short break was taken.)

23 JUDGE DIPPELL: Okay. Just to make it
24 official. We're going to go back on the record and
25 adjourn officially. And we are adjourned. Thank you.

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