

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
3
4 TRANSCRIPT OF PROCEEDINGS
5
6 Local Public Hearing
7 January 27, 2010
8 Excelsior Springs, Missouri
9 Volume 16
10
11 In the Matter of Union Electric)
12 Company d/b/a AmerenUE's)File No. ER-2010-0036
13 Tariffs To Increase its Annual)
14 Revenues For Electric Service)
15 MORRIS L. WOODRUFF, Presiding
16 DEPUTY CHIEF REGULATORY LAW JUDGE
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18 ROBERT M. CLAYTON, III, Chairman
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25 REPORTED BY: Robin Prouty,
CCR No. 868

APPEARANCES

Appearing for AmerenUE was Mr. James B. Lowery of Smith Lewis, LLP, 111 South 9th Street, Columbia, Missouri 65201.

Appearing for the Office of Public Counsel and the public was Mr. Lewis R. Mills, Jr., of the State of Missouri Department of Economic Development, Office of the Public Counsel, 200 Madison Street, 9th Floor, Jefferson City, Missouri 65102.

Appearing via webcast for the staff of the Missouri Public Service Commission was Mr. Steven Dottheim, Post Office Box 360, Jefferson City, Missouri 65102.

1 PROCEEDINGS

2 JUDGE WOODRUFF: Good evening,
3 everyone. My name is Morris Woodruff. I'm the
4 regulatory law judge assigned to this meeting by the
5 Commission, and I'd like to welcome you to this
6 local public hearing regarding AmerenUE's rate
7 increase.

8 I'll start off by introducing the gentleman
9 to my left here, Chairman Robert Clayton.

10 CHAIRMAN CLAYTON: Thank you, Judge
11 Woodruff. My name is Robert Clayton. I'm the
12 chairman of the Missouri Public Service Commission.
13 I am one of five commissioners that will ultimately
14 have the responsibility of deciding the issues in
15 this case.

16 I wanted to first welcome you here to this
17 local public hearing. I appreciate you taking time
18 out of your schedules to learn about our process and
19 also to chime in on how you feel about the rate
20 increase request.

21 I wanted to let you know that we are here
22 to seek testimony from you. We are also webcasting
23 this event. It will be recorded. And we also have
24 a court reporter that will be transcribing it for
25 all of the commissioners to review the testimony

1 prior to the hearing which will take place in March.

2 I think it was mentioned earlier in the
3 opening session, we have been driving around the
4 state conducting local public hearings such as this.
5 We were in St. Louis most of the week last week. We
6 had a really high turnout. A number of folks came
7 out, expressing a great deal of interest in the
8 case, and we appreciate you being here as well.

9 Next week, we go on to other locations like
10 Mexico, Moberly and Kirksville. So the Commission
11 and the commission staff are very busy, and we look
12 forward to receiving your testimony here tonight.

13 I wanted to make a couple of points prior
14 to starting the testimony. If you have a particular
15 issue or problem that you are dealing with AmerenUE
16 or perhaps utility service in general, I would
17 encourage you to take advantage of the folks who are
18 here tonight. We have the Public Service Commission
19 staff available. You met several people when you
20 walked in the door. If you have a particular
21 problem, a billing issue, a service problem, please
22 take advantage of the staff. We can help you work
23 through those issues, whether it relates to Ameren
24 or maybe another utility that serves the community.

25 The other issue that I wanted to mention is

1 that we also have a number of representatives of the
2 utility here. Take advantage of them while they're
3 here. If you have a particular issue you want to
4 bring up, reliability, billing questions, any
5 concerns you might have. We have everybody's
6 attention, and they have traveled here to listen to
7 your concerns and work through any problems you
8 might have.

9 So thank you for coming out tonight. I
10 look forward to your testimony.

11 JUDGE WOODRUFF: Thank you. Before we
12 call the first witness, I'll ask the attorneys who
13 are here for the parties to identify themselves.
14 First of all, is there an attorney here for staff?

15 Are we linked to Jefferson City?

16 Attorney for AmerenUE?

17 MR. LOWERY: Thank you, your Honor.
18 I'm James B. Lowery from Smith Lewis, LLP, 111 South
19 9th Street, Columbia, Missouri 65201. Thank you.

20 JUDGE WOODRUFF: For the Office of
21 Public Counsel?

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

1 JUDGE WOODRUFF: Thank you. All
2 right. What we're going to do then is --

3 MR. DOTTHEIM: On behalf of the staff
4 of the Missouri Public Service Commission, Steven
5 Dottheim, Post Office Box 360, Jefferson City,
6 Missouri 65102, here in Jefferson City in the
7 commission's hearing room.

8 JUDGE WOODRUFF: Thank you,
9 Mr. Dottheim. As you probably noticed, we are
10 linked by webcast to our offices in Jefferson City,
11 and there may be questions from there.

12 The procedure we're going to follow, I've
13 got a list of names here of people who've signed up
14 to testify. I'll call you up here one by one. If
15 you'd come to the podium and offer your testimony.
16 When you get up here, I'll ask you to raise your
17 right hand and I'll swear you in to tell the truth,
18 and then you can tell us what you want to tell us.

19 And after you're finished with your
20 statement, the chairman may have some questions for
21 you. The attorneys for the parties may have some
22 questions for you, also.

23 So the first person I'm going to call up is
24 Larry Hoskins. Good evening, Mr. Hoskins. Would
25 you please raise your right hand?

1 LARRY HOSKINS,
2 having been duly sworn, testifies as follows:

3 EXAMINATION

4 BY JUDGE WOODRUFF:

5 Q. And could you tell us your name and spell
6 your last name, please?

7 A. Larry Hoskins, H-O-S-K-I-N-S.

8 Q. Thank you. What would you like to tell us?

9 A. Well, I just don't -- I would like to get a
10 nine percent return on my -- any investment that I
11 had. I'm sure a lot of people would. And I don't
12 understand why -- nine percent is such a good
13 return, why can't we all get that?

14 You know, that's something -- you know, a
15 lot of these people here are on fixed incomes and
16 stuff. Nine percent is going to mean a lot to them.
17 I just don't understand why we should get nine
18 percent. Most businesses don't have that kind of
19 return. So why -- why did we decide on nine percent
20 is a good return?

21 JUDGE WOODRUFF: I can't answer your
22 question here. But I'll have the chairman.

23 CHAIRMAN CLAYTON: Mr. Hoskins, thank
24 you very much for coming. Just -- I am one of the
25 people who will be making the decision, so it's hard

1 for me to comment and give you feedback because the
2 case will go to trial, and I'm not able to do that.

3 The commission staff who are at the front
4 door can give you some answers, and I would also
5 urge you to meet with your attorney in the case, the
6 public advocate, or consumer advocate. That's Lewis
7 Mills. He's sitting at this table. You can ask him
8 about what he has recommended, which I think is
9 around nine-something percent. Nine percent in this
10 case? Ten. Ten percent. And I think he would be
11 the right person to ask that question.

12 There are a number of parties in the case.
13 There are a number of positions that have been
14 thrown out by folks. So I think it would be helpful
15 for you to maybe meet with him. I'm sorry, I can't
16 answer that. I did have a couple of questions I
17 wanted to ask you if that would be okay.

18 EXAMINATION

19 BY CHAIRMAN CLAYTON:

20 Q. What I first wanted to ask is -- we have
21 pursued or tried to find out how AmerenUE is serving
22 its customers in terms of reliability, and I wanted
23 to ask, this community is pretty far away from, you
24 know, St. Louis and some other places, how is
25 reliability? Does the power stay on? Do you have

1 any outages? Can you just give me some feedback?

2 A. I've been in Excelsior for about three
3 years, and I haven't had any problems here. Now, I
4 have -- I have a place down at the Lake of the
5 Ozarks, and I've had trouble down there.

6 Q. And that would be served by Ameren --

7 A. Yes.

8 Q. -- correct?

9 A. Yes.

10 Q. Okay. Have you had any problems with
11 billing or customer service with the company?

12 A. No, I haven't personally.

13 Q. Do you have a business or -- on your own
14 here?

15 A. No.

16 CHAIRMAN CLAYTON: Okay. All right.
17 Thank you very much for coming. And I'd urge you to
18 meet with Mr. Mills and/or the staff before you
19 leave here tonight.

20 MR. HOSKINS: Thank you.

21 JUDGE WOODRUFF: Any other questions
22 for Mr. Hoskins? Thank you, sir.

23 Next name on the list is Denise Reese.

24 MS. REESE: Good evening.

25 JUDGE WOODRUFF: Please raise your

1 right hand.

2 DENISE REESE,

3 having been duly sworn, testifies as follows:

4 EXAMINATION

5 BY JUDGE WOODRUFF:

6 Q. Would you tell us your name, please?

7 A. My name is Denise Smith Reese. I live at
8 101 Richmond Street, Excelsior Springs, and we've
9 been here since August of '05. We did live in rural
10 Ray County before we moved back to Kansas City.

11 I feel so sorry for the people of Excelsior
12 Springs because I came here to the Missouri public
13 commission one time to testify on AT&T which has
14 just gone through the sky since we've been here. I
15 brought our bill of \$136.12. Out of this, \$19.44 is
16 just fees.

17 When you raise this -- and like the
18 gentleman that was just here said, nine percent, I
19 think everybody would like to have that. There's a
20 lot of jobs -- my husband retired from Ford. A lot
21 of the Ford employees are taking -- that are still
22 working are taking cuts. We have -- Ford and
23 General Motors is very prominent in this area.

24 I see people all the time that are losing
25 their jobs. I probably get at least two requests

1 for charities every day. The people that don't --
2 Good Samaritan does their -- just works so hard,
3 Salvation Army, Feed the Need in Excelsior Springs,
4 just trying to help people live. And, to me -- and
5 I would like to qualify myself.

6 AmerenUE is just a wonderful company. They
7 always come and help us any time we ever have --
8 because we live in a commercial building. I have no
9 problems with that. But I just don't know how
10 people can keep this up every time. There's just --
11 I mean, you know, it's -- when you see all these
12 fees that are added to the utility companies.

13 People are still trying to survive. And I
14 just -- it's almost a slap in the face every time,
15 you know, that we have -- these people have to come
16 up here and fight against a corporation. And the
17 Supreme Court just last week said that the
18 corporations could spend as much money now to fight
19 political, so that's more power. That's just a slap
20 in the face to the American taxpayers, and you just
21 wonder how much the American people can take.

22 We already have been slapped down to the
23 ground from Wall Street. And, you know, and of all
24 their -- sorry my language, but SOBs, that they get
25 to live high on the hog. And it's really -- I mean

1 it's just almost like how much can the American
2 people take.

3 CHAIRMAN CLAYTON: Ms. Reese, may I
4 ask you some questions?

5 MS. REESE: Yes.

6 EXAMINATION

7 BY CHAIRMAN CLAYTON:

8 Q. First of all, the bill that you mentioned,
9 I thought you heard you say AT&T. Was that an
10 AmerenUE bill or an AT&T bill?

11 A. No. I came to testify for AT&T and --

12 Q. Oh, before AT&T.

13 A. Against them, that they were just -- you
14 know, our bill went from 40-some dollars in Kansas
15 City right by I-29/35 split. We came to Excelsior
16 Springs; the bill tripled.

17 And people think you live in the country --
18 I mean I know Excelsior Springs is not a -- is not
19 country. It's a small town. But you live out of
20 the city, that you're paying less. That's a joke.
21 These people have to drive in to Kansas City. The
22 gas prices are high. We're getting scammed by the
23 oil companies, everybody, and just keep --
24 everything just keeps going up and up and up. It's
25 food, everything.

1 Q. You mentioned that -- I thought you said
2 that you were getting requests for charity. Did I
3 hear you say that --

4 A. Every --

5 Q. -- that people were asking you for help?

6 A. Every day.

7 Q. Do you work with a group that helps people
8 or --

9 A. No.

10 Q. -- Good Samaritan, or you just know people
11 that are asking for help?

12 A. My husband is retired from Ford, and I have
13 a 92-year-old mother that I'm trying to take care
14 of.

15 CHAIRMAN CLAYTON: Okay. I don't
16 think I have any other questions. Thank you so much
17 for coming tonight.

18 MS. REESE: Thank you for your time.

19 JUDGE WOODRUFF: Thank you. Next name
20 on the list is John Houlehan.

21 MR. HOULEHAN: Good evening.

22 JUDGE WOODRUFF: Would you please
23 raise your right hand?

24 JOHN HOULEHAN,
25 having been duly sworn, testifies as follows:

1 EXAMINATION

2 BY JUDGE WOODRUFF:

3 Q. Just tell us your name and spell your last
4 name, please?

5 A. My name is John Houlehan, H-O-U-L-E-H-A-N.

6 MR. HOULEHAN: Can everybody in the
7 back hear me? Anybody not hear me?

8 Q. (By Judge Woodruff) Go ahead.

9 A. Well, I'm representing the -- I'm one of
10 the representatives of Missouri Utility Shareholders
11 Association. That's a group of people that own
12 stock in various investor-owned utilities, Ameren,
13 Great Plains, Empire District and Topeka Gas. And
14 I'm now -- the president of Empire asked me to be
15 on the board. And one thing I'd like to explain to
16 people, that they all aren't very, very rich people
17 living in big mansions and driving big fancy cars.

18 I hate to use this term that I'm going to
19 use, but most of us are elderly. I'm certainly
20 including myself in that. And we depend on these
21 dividends for income because, like a lot of these
22 people here, the company I retired from, my pension
23 has been chipped into. I have to pay, myself,
24 health insurance because of the cuts.

25 And, also, all the expansions that

1 utilities do, you have to sell more stock and more
2 bonds. People aren't going to buy the stock or buy
3 the bonds if they don't get a return.

4 And I'd like to emphasize also, too -- and
5 I'm not against regulation. I think we have to have
6 regulation. But the prices the utilities charge are
7 regulated. But the price to buy some poles, some
8 wire, some insulators, steel or concrete for the new
9 power plant, that is not regulated. And we have
10 formed the organization to get our side of the story
11 out.

12 CHAIRMAN CLAYTON: Mr. Houlehan, thank
13 you very much for coming. Do you mind if I ask you
14 a few questions?

15 MR. HOULEHAN: Not at all.

16 EXAMINATION

17 BY CHAIRMAN CLAYTON:

18 Q. First of all, are you a customer of
19 AmerenUE?

20 A. No.

21 Q. You are not. Can I ask who serves -- what
22 company or where you get your electricity?

23 A. Kansas City Power & Light.

24 Q. Kansas City Power & Light. Okay. I just
25 wanted to ask you basically, as a shareholder, what

1 type of return do you get on your AmerenUE stock, do
2 you know?

3 A. AmerenUE is about five percent. Empire
4 District is about -- close to seven.

5 Q. And --

6 A. Better than a savings and loan CD.

7 Q. Is AmerenUE paying a dividend right now?

8 A. Yes, sir. They did have to cut it here
9 about two years ago.

10 CHAIRMAN CLAYTON: I don't think I
11 have any other questions. Thank you for coming,
12 sir.

13 MR. HOULEHAN: Well, I want to make
14 something perfectly -- so I'm above board. I do own
15 AmerenUE stock as well as Empire and Great Plains.

16 CHAIRMAN CLAYTON: I figured that's
17 why you were here. That's all right. Thank you.

18 MR. HOULEHAN: I don't own any with
19 Topeka Gas.

20 JUDGE WOODRUFF: Mr. Houlehan was the
21 last name on the list. Is there anyone else whose
22 name isn't on the list that would like to come
23 forward and testify?

24 Okay. I don't see anyone else coming
25 forward. So with that, then, I'll thank you all for

1 coming out this evening.

2 CHAIRMAN CLAYTON: I would encourage
3 you, since it doesn't appear we have anyone else
4 who's going to testify, if you do have questions,
5 please take advantage of the staff and please come
6 up and see Mr. Mills if you have any additional
7 questions. Thank you very much for coming.

8 JUDGE WOODRUFF: Thank you. And we
9 are adjourned.

10 (The proceedings adjourned at 6:20 p.m.)

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1	INDEX	
2	WITNESS NAME:	PAGE:
3	Larry Hoskins	
4	Examination by Judge Woodruff	7
5	Examination by Chairman Clayton	8
6	Denise Smith Reese	
7	Examination by Judge Woodruff	10
8	Examination by Chairman Clayton	12
9	John Houlehan	
10	Examination by Judge Woodruff	14
11	Examination by Chairman Clayton	15
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 CERTIFICATE

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I, Robin Prouty, a Certified Court

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Reporter of the State of Missouri, do hereby certify

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that I appeared at the time and place first

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hereinbefore set forth, that I took down in

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shorthand the entire proceedings had at said time

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and place, and that the foregoing constitutes a

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true, correct, and complete transcript of my said

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shorthand notes.

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Robin Prouty, CCR No. 868

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