

MRS. ALMA VAUGHAN
STATE HISTORICAL SOCIETY OF MO
Corner Hitt & Lowry Sts
Columbia, MO 65201

WATCHMAN ADVOCATE

ESTABLISHED 1881

VOLUME 96 — No. 166

CLAYTON, MO. THURSDAY, OCTOBER 14, 1976

MEMBER MPA Ten Cents

Citizens' Organization Urging People To Vote YES On Proposition 1

The Citizens for Reformed Electric Rates charged recently that Union Electric and the other electric utilities are misleading Missouri voters by claiming that passage of Proposition #1 will halt power plant construction. The citizens' organization is urging people to vote YES on Proposition #1, which would prohibit a power company from adding the costs of Construction Work in Progress into the rate base until the construction is completed and the plant is in service.

Statewide Coordinator for Proposition #1, Kay Drey, said that "On December 10, 1975, officials of Union Electric stated under oath before the U.S. Nuclear Regulatory Commission, that they could finance their \$1.5 billion construction program without charging customers until the plants begin generating electricity. On December 22, 1975, notwithstanding this testimony, the Missouri Public Service Commission authorized Union Electric to include in its monthly bills these very charges. On April 25, 1976, this precedent was extended to Kansas City Power and Light, and in September of this year, St. Joseph Light and Power also received the right to charge its customers in advance. Since the Missouri Public Service Commission regulates all investor-owned utilities, this may set a precedent for customers of all utilities—gas, water and telephone.

"The power companies will be spending hundreds of thousands of dollars to convince voters that electric rates may go up in the long run if Proposition #1 passes," said Mrs. Drey. "Quite the contrary is the case. Unless Proposition #1 passes, for example, Union Electric customers are guaranteed that their rates will increase by at least \$913 million during the next seven or eight years. This increase will cover only the financing and tax costs of construction of the new plants. The \$913 million figure comes from Union Electric's own documents filed with the Missouri Public Service Commission during its latest application for a rate increase. Union Electric admits that this prepay plan will add at least 40% to its customers' bills.

Consumers, through these higher rates, help guarantee that investors will be paid their interest and dividends no matter how long the construction will last, or how much it will cost.

"By starting to pay for the plants in advance, we are not saving ourselves money. Rather we are giving the power companies of this state a blank-check guarantee of profits for them and of only a hope of rate relief someday for us, decades from now," said Mrs. Drey.

"That blank check becomes particularly alarming when we remember that we must underwrite an unknown amount. In April, 1975, Union Electric chose an out-of-state firm to build its two new plants with a cost-plus contract. The construction estimate of \$1.5 billion has not been updated since it appeared in a November, 1974 prospectus, before the South Carolina firm was chosen. And yet, based on this obsolete construction estimate, our monthly bill will go up at least 40% for construction costs in the next seven or eight years. With inflation and delays common to all construction projects, it is impossible to predict the ultimate cost of these plants. No one knows how much our electric bills will go up. The public deserves the right to know what

we might really have to pay if Proposition #1 fails to pass. The St. Louis, Kansas City and St. Joseph power companies should level with us."

Mrs. Drey concurred, "The voters of Missouri have the opportunity on November 2 to record themselves in favor of fair electric rates by voting YES on Proposition #1. There can be no doubt that the bills we presently pay are unfair and will remain unfair as long as we are forced to pay for the stockholders' dividends in advance. I again urge the citizens to vote YES on Proposition #1. It's their money."

How-To Tips From Jack Anderson

"Write your Congressman." You've heard it a million times. Ever wonder how to go about it? In a November Family Circle article on cutting through government red tape, syndicated columnist Jack Anderson includes the following suggestions on how to make sure your letter gets read, not tossed in the Congressional circular file:

— Your letter should be personal. Explain how a particular law may affect a constituent. Remember, you're communicating with a person, not a computer.

— Be specific. If he or she understands the precise nature of the problem, a Congressman can help a veteran who hasn't received his educational benefits check or a senior citizen whose Social Security checks are not being properly processed.

— Don't make vague demands. You'll get a vague response, if any.

— Don't expect a Congressman to break the law for you. If you are not entitled to a Social Security check, he or she can't get one for you.

— Write your Congressman if you're getting the run-around from one of the thousands of Federal agencies.

— Address letters to your Congressman c/o the U. S. House of Representatives, Washington, D.C. 20515. Write your Senators at the U. S. Senate, Washington, D.C. 20510. If you don't know your Congressman's name, check with the local League of Women Voters.

The Missouri Public Service Commission said recently it will actively oppose an increase in wholesale natural gas rates approved by the Federal Power Commission in Washington, D. C.

The rise in price, which is scheduled to go into effect on October 27, would require an increase in the rates of Laclede Gas Company of St. Louis of about 25 percent, said A. Robert Pierce, Jr., Chairman of the Public Service Commission.

"Such a tremendous increase is not justified, we believe," Chairman Pierce said. "We intend to try to keep those rates from going into effect, at least pending further review."

"A member of our legal staff is in Washington today, preparing the necessary documents for us to participate in the action before the Federal Power Commission.

"We will propose to the Federal Power Commission that natural gas producers be prohibited from raising their prices until further hearings are held.

"We also will argue for a review of the way in which supplies of natural gas are to be classified for the rate increase."

The increase is to apply to 'new' natural gas, which is gas discovered or placed in interstate commerce since January 1, 1973. Such gas is now priced at 52 cents per thousand cubic feet (MCF) at the well.

The Federal Power Commission has authorized a price of \$1.01 per MCF for 1973 and 1974 gas, and a price of \$1.42 per MCF for 1975 and 1976 gas.

"The Public Service Commission is concerned that the higher rates may be applied to gas that should not be classified as 'new'," Chairman Pierce said.

The impact of the increase for distribution companies such as Laclede will depend on the proportion of 'new' gas in the fuel it receives, as well as on transportation and other costs. Laclede is expected to have to pay an additional 40 cents per MCF as a result of the Federal Power Commission ruling.

The effect of the increase on other gas distribution companies in Missouri will be unclear until their suppliers apply to the Federal Power Commission for authority to charge higher rates.

Chairman Pierce said the Public Service Commission will collect more information before deciding whether it will need to file additional actions with the Federal Power Commission in the cases of those companies.

Laclede and its three divisions—Midwest Missouri Gas, Missouri Natural Gas and St. Charles Gas—provide service in St. Louis City and County and in Butler, Iron, Jefferson, Madison, St. Charles, St. Francois and Ste. Genevieve counties.

Antiques Series

A series of seminars on "How to Buy and Enjoy Antiques" will be offered beginning Oct. 28 at the University of Missouri-St. Louis. The programs will be held from 7 to 9 p.m. on four consecutive Thursdays in the J.C. Penny Building.

The short course is designed for those beginning to develop interest in antiques, such as furniture, textiles, accessories, and other collectibles. Margaret Reckert, a St. Louis antique shop owner, will lead sessions on building collections and appraising the value of collectibles. Basic rules for selection, shopping hints, use and display of antiques will be discussed.

For information on registration and fees, call the UMSL Continuing Education-Extension office at 453-5961.

Here's Mud In Your Eye!

