

Missouri Industrial Energy Consumers Missouri Energy Policy Task Force August 30, 2006

Anheuser-Busch

Bandwidth Exchange

Biokyoowa

Boeing

ConAgra

DaimlerChrysler

Doe Run

Ford

General Motors

GKN

Hussmann Refrigeration

J.W. Aluminum

MEMC Electronic Materials

Monsanto

National Starch

Nestlé Purina

Pfizer

Precoat Metals

Praxair

Procter & Gamble

Solutia

US Silica

The Missouri Industrial Energy Consumers (MIEC) is a group of Missouri's largest energy consumers. The MIEC has been active in Public Service Commission cases and legislative issues impacting utility rates for over 30 years.

The MIEC's members are among the state's largest employers and taxpayers, and represent much of the economic base of Missouri. Reliable utility service at reasonable rates is essential to the health and competitiveness of Missouri industry.

Missouri's investor-owned utilities are regulated monopolies. Missouri consumers have no choice of electric supplier. Because Missouri utilities have no retail competitors, consumers rely entirely on the Public Service Commission to protect their interests by establishing just and reasonable rates.

The MIEC advocates rates which are based on the utility's cost of service plus a fair profit to the utility. Fair utility regulation balances the interest of utility investors in profits with the interest of consumers in reasonable rates.

Missouri utilities are healthy and profitable, and have the financial strength to invest in all resources needed to serve Missouri's energy needs (including utilities implementing rate decreases required in recent years due to very strong profits). Missouri regulation has achieved relatively reasonable rates for Missouri consumers and strong profits for utility investors. Missouri largest utilities have outperformed utilities nationwide in profits without rate increases by cutting costs and by selling low-cost excess power in the wholesale power market.

Missouri industry risks the potential for volatile fuel and environmental cost surcharges by utilities due to recent legal changes, and the potential for significant rate increases proposed by the major investor-owned utilities. Surcharges and excessive rate increases will make Missouri business and industry less competitive and will harm the state's business climate.

Missouri has profitable utilities, relatively reasonable rates and a fair regulatory framework that allows the utilities all the resources needed to invest in new generation. The MIEC supports preserving the balance achieved by Missouri regulation as an essential economic asset of the state.

For more information,
please contact:
Diana Vuylsteke, MIEC
314.259.2543