

Rolla City Council Meeting Oct 1, 2007

Dear council members:

At the suggestion of a council person, I read you this letter. RMU has run like a well-oiled machine since its inception in the 1940's. We have efficiently and conservatively performed the very best for Rolla residents. Unfortunately in your eyes, I have performed our public relations efforts in a less than successful way. For that, I apologize. I get the message loud and clear. I have concerned myself with working more on getting power for Rolla than on our public image. However, the two issues are completely separate! We have done everything we can to insure that Rolla citizens receive the best service and rates. If you would have a little patience with RMU, I think you will see that the Rolla citizens will be ahead of the curve down the road.

We plan to receive a report from RW Beck at the next RMU Board Meeting in late October. This will be an analysis of Rolla's long term power distribution system within Rolla for the next 20 some years and how to accomplish that task. With this information RMU can show the benefits of having long term contracts for power at cost of generation such as that supplied by and through MOPEP. This is much better than purchasing power in a market where the retail rates are controlled and we must purchase power at wholesale rates at whatever the market will bear. Remember that those rates were deregulated in 1993.

There has been a suggestion that Intercounty could supply electricity to Rolla at a cheaper rate. Using RMU's current rates and the published Intercounty rates, we did an analysis of that concept and found that RMU would have to increase the rates; yes I said increase the rate on approximately one fourth of the households in Rolla. This is for those that use less than 500 KWH per month. This will be the widows and those on very low fixed incomes in Rolla that have a hard time meeting their monthly bills. I am not willing to do that so that a certain person can have a lower electric bill. Sorry.

At the MPUA meeting last week at the Lake of the Ozarks, Mr. C. Kenneth McClure, who used to be the Missouri Public Service Commission Chairman and now is an Associate Vice President at Missouri State University, presented information that within a few short years the cooperatives and also the investor owned utilities, will again be charging higher rates for electricity than the Municipal Utilities. This is what I have been saying for the past several months.

I am asking you to support your city-owned utility and to trust our decisions. We need to ride this out together. We have never been under an attack like this before, and we probably have been on the defensive too much! It takes years to understand the complexities of a utility company. We are asking for your patience. Feel free to call any of us if you have any comments or questions.

Sincerely,


Jim Stoffer