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Callaway costs soar; Union Electric cites economic vagaries

By Jim Colwill
Missourian staff writer

Insight

Union Electric's estimate of the cost of building its nuclear plants near Fulton has risen 68 percent in the five years since the Missouri Public Service Commission approved them.

And the company's estimate of operating costs for the life of the plants plus the costs of decommissioning them has approximately doubled, from \$1.8 billion for both plants in 1975 to \$1.7 billion for unit I alone in 1980.

Because of continuing economic uncertainties, neither the PSC nor Union Electric can predict accurately what the total costs of construction, operation and decommissioning eventually will be.

Whether rising costs have priced nuclear-generated electricity out of Missouri's energy market will be one issue debated by the utility, the commission staff and citizen intervenors when the PSC holds hearings in May on the necessity and economic desirability of the second Callaway unit.

Recent studies by the company and the commission staff indicate that the Callaway plants probably still will generate electricity more cheaply than coal-fired alternatives, although the staff cautions that its analysis depends on outdated fuel cost figures and that changing economic conditions could change its conclusions in the future.

However, two citizens' groups, Missourians for Safe Energy and Coalition for the Environment, plan to testify that recently built coal plants have proven to be more economical than recently built nuclear plants. They also plan to present evidence that encouraging conservation and use of small-scale energy sources would be cheaper than building Callaway II.

Union Electric expects rates to in-

crease 20 to 25 percent when Callaway I starts operating in 1982 because of the unit's expected large contribution to the company's rate base. Another rate hike presumably would occur in 1983 if Callaway II begins operating on schedule.

These increases will be subject to PSC decisions, since the commission has authority to decide how much of the plants' capital costs actually will be put into the rate base and paid for by customers through higher electricity prices.

But despite these expected rate hikes and the rising costs of both coal and nuclear plants, the company predicts average rates will rise more slowly than inflation during the 1980s, causing the real, inflation-adjusted price of electricity to decline.

The PSC staff is not convinced that the company is right. In testimony prepared for the upcoming hearings, staff member Michael Proctor said that the company's expectation of declining real electricity prices is based on judgment rather than empirical analysis. The PSC staff says Union Electric's real electricity prices rose during most of the 1970s, and at a faster pace in more recent years.

Whatever the significance of the increases in the costs of the Callaway plants, it is clear that estimated costs are continuing to rise. Ron Fluegge, director of the commission's utility division, and other experts say several more increases are foreseeable:

Correction of recently discovered welding flaws in major parts manufac-

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Doctors provide care, not political influence

By JoAnn Lutz
Missourian staff writer

Most special interest groups seek to attract the favorable attention of legislators by hiring professional lobbyists. One group, however, provides a service to state legislators without expecting political favors in return.

Volunteers from the Missouri Academy of Family Physicians take turns providing free medical care to politicians during legislative sessions.

The "Physician of the Day" program, begun in 1973, involves 40 doctors who volunteer medical services on Tuesdays and Wednesdays of the session and every day of the week during the last two weeks of this year's session.

Mickey Schaefer, executive secretary of the academy, said one doctor is on call who can be paged any time emergency medical aid is needed by legislators or visitors to the sessions.

Most calls, however, are routine matters such as colds or sore throats, said Dr. Ben Koon, chairman of the academy's legislative affairs committee.

"We just provide medical advice before they see their family doctors," he said. "I've never dealt with an emergency problem, though some physicians have."

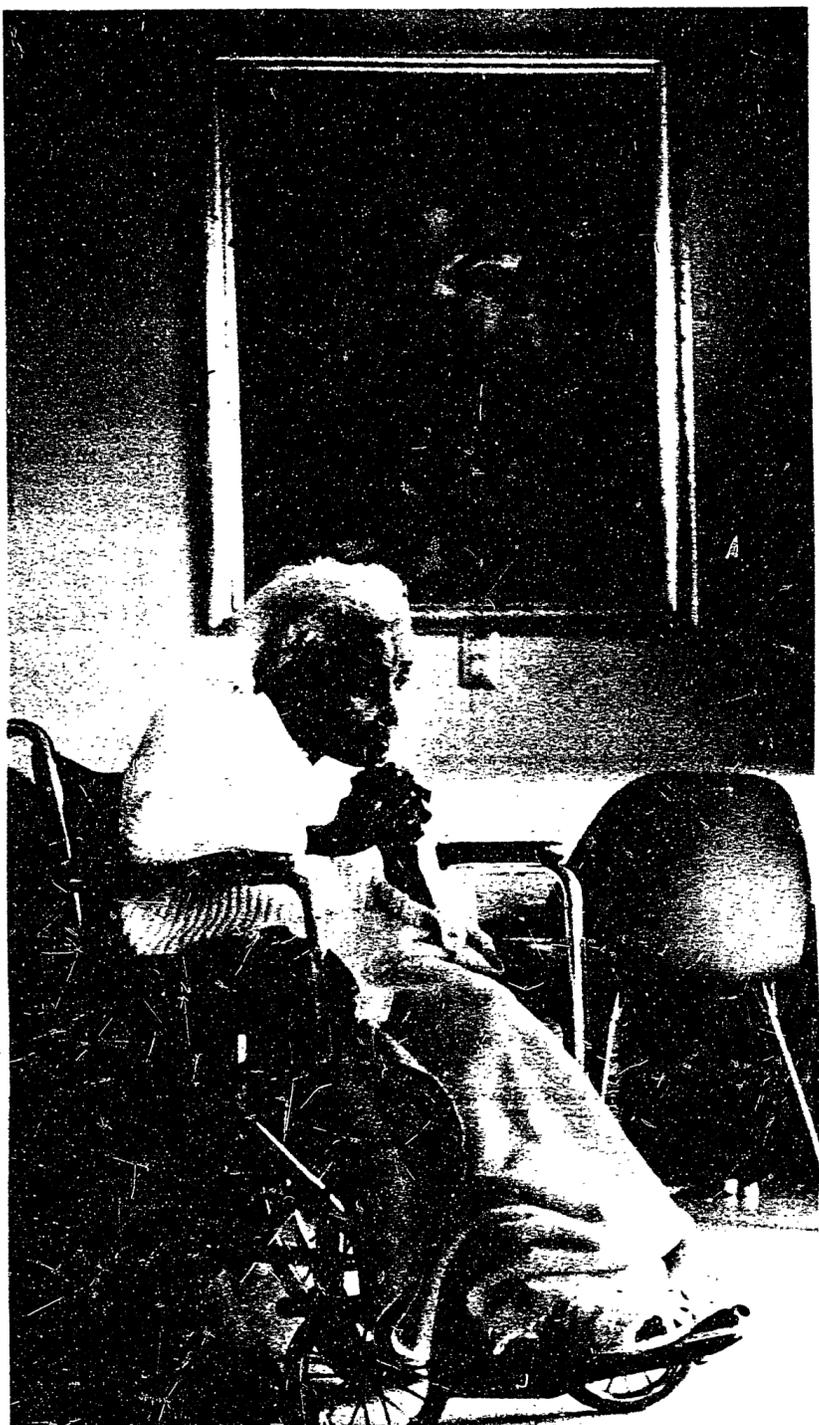
Koon estimated that the doctors see six to eight patients a day.

The program helps doctors understand the legislative process in the state and gives them a chance to become acquainted with legislators on a day-to-day basis, Koon said. It also helps legislators know who the family physicians are and what they do in the community.

"It's good P.R. for us, but we do not go down there to lobby," Koon said with emphasis. "If we lobbied, it would destroy the whole purpose of the program. We would be treated as lobbyists and would lose our credibility."

He said, however, that if legislators have questions about family practice or medical legislation, doctors can provide them with information or offer their opinions or feelings on issues.

The academy doesn't have a lobbying group of its own, but is represented by the Missouri State Medical Association.



Brookside resident Sally Grant, above, waits for her family to transfer her to another center. Meanwhile, building inspectors Don Cunningham, left, and Charlie Scheurich complete their examination of the facility.



Chuck Gathard

Evacuation postponed at center

By Glenn Ruffenach
Missourian staff writer

The Brookside Retirement Center narrowly avoided a city-mandated closing Friday after owners and staff members frantically completed emergency repairs in the hazard-ridden building.

But the largely makeshift repairs have earned the 14 elderly Columbians still at the center only a short reprieve from evacuation, unless additional repairs are completed soon.

"The bottom line is that the emergency situation has been alleviated, but only temporarily," City Counselor Scott Snyder said. "The city intends to inspect regularly, periodically and, if need be, constantly to ensure a good-faith effort is being made to make permanent corrections."

On Wednesday, Public Works Director Ray Beck gave the center's owners 48 hours to correct serious safety and health hazards in the building or face closing and evacuation of all tenants.

City officials arrived at the center, 201 W. Ash St., at 8 a.m. Friday to conduct their final inspection. The largest problem, electrical fixtures and wiring exposed to water leaking through the roof, had been corrected by disconnecting power to those points.

The inspection team, however, still was unsatisfied with potential problems posed by the warped roof.

Accordingly, the city gave the owners until 2 p.m. to cover the roof with heavy-duty plastic sheets. The materials arrived at 1:30 p.m. and were being fastened to the roof when the inspection team returned.

Satisfied with the emergency repairs, Beck modified the city's original order and postponed closing the center until April 30, when the city will conduct a hearing on the building.

The modified order also provides for additional legal actions "in the event that no good faith effort to permanently repair the structure is begun or in the event that it is discontinued." Should that happen, the city counselor may take further action to close the center or seek a court appointed receiver to collect rents and ensure repairs.

City officials were only slightly mollified by the owner's last minute efforts to avoid closing.

The city counselor questioned why the owners waited until Thursday and Friday to make improvements that were identified three weeks earlier.

"In the past 36 hours, we've seen substantial correction of a situation we requested to be repaired on March 17," Snyder said.

The center's principal owner, Paul Frazier, was highly critical of the city's actions. He contends officials have singled him out because a second retirement center which he owned, the Resthaven Retirement Center in eastern Boone County, was destroyed by fire in February.

"They're shoving this thing down my throat now just because of the fire at Resthaven," Frazier said. "We've had three inspections here in the last year and a half and none of these problems were mentioned. How come these deficiencies weren't found before? They're just stringing me up."

Frazier said the city's decision had needlessly worried the center's tenants.

"There were people crying out here this morning," he said, referring to the presence of the inspection team. "They didn't know what was going on. We called for medical assistance. Some of these people could have had a heart attack."

Snyder dismissed Frazier's accusations that the city was responsible for the discomfort of the center's elderly residents.

"I think it's reprehensible that those people had to be put between us and Frazier," he said. "We spent a great deal of time agonizing over the decision of whether or not to bring this hammer to bear. It was the only tool we had left to force those improvements."

The center's manager, Ken Vogel, said, "We want to show good faith and make every repair called for. We have to rebuild, and I know the city's inspections will keep us on our toes."

MFA Inc. to discuss dispute over MFA Insurance

By Carey Wilson
and Stan Herrin
Missourian staff writers

MFA Inc. has called a special board meeting for noon today, spokesman Charlie Hedberg said Friday, and the talk is expected to include the dispute between the farm co-op and MFA Insurance Cos.

The meeting, to be held at 201 S. Seventh St., follows by four days a meet-

ing of the 36-man farm co-op's board in which it voted — as one MFA Inc. director told the Columbia Missourian — "to cool down" its president's attempts to break ties with MFA Insurance.

At the Tuesday meeting, the board reportedly voted 21-15 to halt:

President Eric Thompson's efforts to remove insurance policies the farm co-op has always held with MFA Insurance.

Thompson's attempts to stop the

insurance firm from using the MFA name and trademark.

Contacted at home Friday, Thompson would not comment on the Tuesday meeting. "Basically, I'm not in a position to comment until I communicate to my membership directly," he said, adding that could be as early as today or as late as Monday.

Thompson said today's meeting was called primarily to discuss MFA Inc.'s opportunity to expand into ethanol pro-

duction and to discuss "the general working relationship between the board and the management."

Thompson, in a newsletter sent out last month, vowed to get the "MFA" out of "MFA Insurance," and have the farm co-op transfer \$4 million worth of employee life, hospitalization and medical insurance policies it holds with MFA Insurance.

But he said that although those two moves come out of the recent dispute

between the two companies, the farm co-op's recent transfer of a million-dollar casualty automobile insurance policy was unrelated.

That "began months before the dispute," he said. "It was strictly a matter of dollars-and-cents — strictly economics."

In that skirmish — one of many in the past month — the farm co-op, for the first time in its 65-year history,

took bids on its million-dollar casualty insurance policy, and ended up taking its policy to another carrier.

The farm co-op has technically had no direct ties regarding company matters in MFA Insurance. But the chairman of the insurance firm's board of directors — Fred V. Heinkel — was also president of MFA Inc. for 38 years before losing the election to Thompson last fall.

In town today

9:30 a.m. "The Classical Spirit: A Symposium in Honor of Meyer Reinhold," 106 Pickard Hall, University campus.

10 a.m. "Facing the Bottom Line: The Meaning of Violence Against Women in Our Culture," Women's Center and Abuse Assault and Rape Crisis Center, 1 Gentry Hall, University campus.

3 p.m. "Shakespeare in the Springtime," mid-America Shakespearean Chautauqua lecture and demonstration by the UMKC Conservatory of Music, Fine Arts Auditorium, University campus.

4 p.m. Faculty piano recital by Tim Lindeman, Stephens College South Campus Auditorium.

7:30 p.m. "Deadwood Dick," melodrama, Maplewood Barn Theater production, Local Union Hall No. 45, 116 N. Eighth St.

7:30 p.m. "The Tempest," Stephens College Playhouse.
8:15 p.m. Turn of the century concert with Betty Scott on trumpet and Santiago Rodriguez on piano. University Fine Arts Recital Hall.

Inside today

Bonds has high hopes for Cardinals' season

Bobby Bonds, once billed as the next Willie Mays, looks forward to his first season with the St. Louis Cardinals as their left fielder. Read about his hopes for the campaign in today's Sports section on Page 10.

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Gannett president: Press freedom key to the future of journalism

By Lynne Appel
Missourian staff writer

Allen H. Neuharth, president and chairman of the nation's largest newspaper group, Friday said the future of journalism hinges on unrestricted freedom of the press.

Neuharth, who guides the fortunes of Gannett Co., Inc., was the featured speaker at the 71st Journalism Week Banquet at Good Time Country. He was also one of nine recipients of the 1980 Missouri medal for distinguished service in journalism. The award came one day after Sigma Delta Chi announced it has awarded him its First Amendment Award.

Neuharth said freedoms guaranteed by the First Amendment must be maintained, not limited. In support of his view, he quoted Thomas Jefferson who said, "Our liberty depends on freedom of the press . . . and that cannot be limited without being lost."

The Gannett Co. was the unsuccessful plaintiff in a recent lawsuit involving a New York judge who closed a pretrial hearing to the public. The case reached the Supreme Court as Gannett v. DePasquale, and Gannett lost.

"The Burger court is bent on rewriting the Bill of Rights into the 'Bill of Restraints,'" Neuharth said. "We must tell and sell the general public that their rights are in danger of going

down the tubes."

In an interview earlier in the day, Neuharth said he approves of newly created "First Amendment insurance" which will help protect newspapers from governmental intrusion.

"With insurance, newspapers can protect themselves against our government. . . It's sad, but true," he said. "This is the biggest single step in discouraging these rascals (the judges) against settling their personal and political vendettas."

Neuharth also said the insurance will protect smaller newspapers by enabling them to purchase \$1 million poli-

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