

FILED  
September 1, 2023  
Data Center  
Missouri Public  
Service Commission

# Exhibit No. 204

OPC – Exhibit 204  
Seaver Direct  
File No. WR-2023-0006

**Exhibit No.:** \_\_\_\_\_  
**Issue(s):** Rate Design/Class Cost of Service (CCOS)  
**Witness/Type of Exhibit:** Seaver/Direct  
**Sponsoring Party:** Public Counsel  
**Case No.:** WR-2023-0006

**DIRECT TESTIMONY**  
  
**OF**  
  
**JORDAN SEAVER**

Submitted on Behalf of the Office of the Public Counsel

**CONFLUENCE RIVERS UTILITY  
OPERATING COMPANY, INC.**

CASE NO. WR-2023-0006

June 8, 2023

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**DIRECT TESTIMONY  
OF  
JORDAN SEAVER  
CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.**

**CASE No. WR-2023-0006**

**I. INTRODUCTION**

**Q. What is your name and what is your business address?**

A. My name is Jordan Seaver, and my business address is 200 Madison Street, Governor Office Building, Suite 650, Jefferson City, MO 65102.

**Q. By whom are you employed and in what capacity?**

A. I am employed by the Office of Public Counsel (“OPC”) as a Policy Analyst.

**Q. Have you previously testified before the Missouri Public Service Commission?**

A. Yes. See Schedule JS-D-1 for my past case participation.

**Q. What are your work and educational backgrounds?**

A. I have been employed as a Policy Analyst by OPC since January 2022. I have attended Michigan State University’s Institute of Public Utilities (“IPU”) Accounting and Ratemaking Course, as well as the National Association of Regulatory Utility Commissioners (“NARUC”) Rate School. I previously worked as a Legal Assistant for Cascino Vaughan Law Offices for 7 years. I have a Master of Arts in Philosophy from the University of Wyoming, and a Bachelor of Arts in Philosophy from the University of Illinois at Chicago.

**II. CLASS COST OF SERVICE STUDY**

**Q. What is the purpose of your Direct testimony?**

A. The purpose of this testimony is to provide a class cost of service study (“CCOS”) for the revenue requirement of Confluence Rivers (“The Company”) in this case, and to offer rate design options for the Commission to choose from.

**Q. What is a CCOS?**

A. A CCOS is the allocation of costs to different classes based on the cost of serving those classes. The required increase in revenue is divided among the classes by determining the

1 cost to serve said classes. Providing a CCOS allows the Commission to decide how to  
2 apportion the revenue requirement to the different classes by increasing rates.

3 **Q. Did you prepare a CCOS for both the Company's water and sewer operations?**

4 A. Yes, I did prepare a CCOS for both water and sewer operations.

5 **Q. What is the rate of return ("ROR") used for the revenue requirement for your  
6 CCOS?**

7 A. The ROR used for the revenue requirement is 7.77%. This is taken from David Murray's  
8 direct testimony in this case.

9 **Q. What is the increase in the revenue requirement ("RR") that you used for the CCOS  
10 in this case?**

11 A. Based on the Net Original Cost Rate Base in Staff's Consolidated Accounting Schedules  
12 filed in this case and Mr. Murray's ROR of 7.77%, the net RR I used is \$1,591,485.70.

13 **Q. How are the costs used to calculate rates?**

14 A. The CCOS is used to assign the costs to the different classes based on the causation of  
15 costs, which is used to determine the increase in both fixed and usage charges for metered  
16 water, and fixed charges for unmetered water and for sewer service. I have attempted to  
17 keep the increase in rates lower for most systems and for every class, where possible.

18 **Q. What is the current rate structure for water service?**

19 A. There are currently two classes of customers for water service. One is metered and the  
20 other is unmetered. The metered customers have a fixed charge and a usage charge. The  
21 unmetered customers only have a fixed charge. Some of the metered customers have a  
22 minimum usage of 2,000 gallons included in the fixed charge.

23 **Q. Are there a range of charges for each water customer class?**

24 A. Yes. For metered customers there are currently a range of fixed and usage charges. For  
25 unmetered customers there are also a range of fixed charges.

1 **Q. Are you proposing to keep the range of charges or to consolidate them into single**  
2 **tariff pricing?**

3 A. I am offering multiple options for rate design, some of which would keep the range of  
4 different rates, some of which change the service to single tariff pricing. These options  
5 also take into account different apportionments of the revenue requirement to metered and  
6 unmetered customers, and between water and sewer service. I provide these options as a  
7 way to see the different impacts of rates on each customer class and to each system.

8 **Q. What were the results of the water CCOS?**

9 A. As stated above, the revenue requirement increase is \$1,591,485.70. The portion of this  
10 applied to water service is \$636,594, which is 40% of the total RR. Following is a breakdown  
11 of the watered portion between metered and unmetered customers.

12 Metered water service—\$381,957 (60%)

13 Unmetered water service--\$254,638 (40%)

14 **Q. What were the results of the sewer CCOS?**

15 A. The results of the sewer CCOS show that sewer should receive 60% of the RR, or \$954,891.

16 **III. RATE DESIGN**

17 **Q. Can you explain the different rate design options that you have provided?**

18 A. Yes. I have divided the rate options as follows:

- 19 • Water—“1Metered” and “2Metered”, “1Unmetered” and “2Unmetered”
- 20 • Sewer—“1Sewer” and “2Sewer”.

21 The difference between the “1” and “2” options is the percentage of the RR apportioned to  
22 water and sewer. In the “1” options the *water* apportionment is \$636,594, or 40%, making  
23 the **metered** portion of the RR \$381,957, which is 60% of the *water* portion, and the  
24 **unmetered** portion \$254,638, or 40% of the *water* portion. The *sewer* apportionment in the  
25 “1” options is \$954,891, which is 60% of the overall RR increase.

1 In the “2” option the *water* portion of the RR is 70%, making it \$1,114,040. The **metered**  
2 portion in the “2” options is \$668,424, which is 60% of the *water* portion, and the **unmetered**  
3 portion in the “2” options is \$445,616, which is 40%. The *sewer* apportionment in the “2”  
4 options is \$77,446, which is 30% of the RR increase.

5 The “1Metered” options are as follows:

- 6 • Option 1: All fixed charges are decreased by \$2.00, and the usage charges are  
7 fixed at \$8.66. This option keeps the revenues for most of the systems  
8 unchanged, but does see increases between 17% and 31% for commercial  
9 customers in the Terre Du Lac system.
- 10 • Option 2: All fixed charges are increased by \$9.00, and all usage charges are  
11 increased by \$0.20. The revenues of all systems and customer types are  
12 increased by this option, but the biggest increases at 13% are seen in the Port  
13 Perry system.
- 14 • Option 3: All fixed charges are set at \$15.00, and all usage charges are set at  
15 \$12.60. This option decreases revenues for most systems. The increased  
16 revenues come mostly from the Port Perry and Terre Du Lac systems.

17 The “2Metered” options are as follows:

- 18 • Option 1: All fixed charges are set at \$20.00 and all usage charges are set at  
19 \$13.45. This option has the most varied amount of increased and decreased  
20 revenues across systems, but also within systems for different customer types.

21 The “1Unmetered” options are as follows:

- 22 • Option 1: This option divides the unmetered portion of the water portion of  
23 the RR by the total number of bills and sets all fixed charges at \$72.50.  
24 Revenues of most systems don’t increase under this option, but there are  
25 significant increases in revenues from Cedar Green, Glen Meadows, Missing

1 Well, Prairie Heights, and Spring Branch systems of greater than or equal to  
2 20%.

- 3 • Option 2: This option increases all fixed charges by \$21.00. All revenues see  
4 an increase, but most of the increased revenues come from Cedar Green, Glen  
5 Meadows, Missing Well, Prairie Heights, and Spring Branch systems.
- 6 • Option 3: This option increases all residential fixed charges by different  
7 amounts (depending on the current revenue), and increases all commercial  
8 customer fixed charges to \$100.00. The multifamily Rate Area 2 is increased  
9 to \$83.00. This option attempts to spread out the revenue increase across  
10 classes without having any significantly higher differences in revenues for  
11 specific systems.

12 The “1Sewer” options are as follows:

- 13 • Option 1: This option changes sewer service to single tariff pricing and sets  
14 the fixed charge for all systems to \$66.70.
- 15 • Option 2: This option divides the sewer portion of the RR increase by the total  
16 number of bills, which increases all fixed charges by \$17.00.

17 The “2Sewer” options are as follows:

- 18 • Option 1: This option divides the sewer portion of the RR increase by the total  
19 number of bills, which increases all fixed charges by \$8.45.

20 **Q. Do you recommend one of the rate design options for water and sewer service?**

21 A. For water, I recommend “1Metered—Option 2” and “1Unmetered—Option 2”. For sewer I  
22 recommend “1Sewer—Option 2”.



1 **Q. Can you explain why you recommend these options over the others you have offered?**

2 A. Yes. The options that I recommend avoid the change to single tariff pricing. Although these  
3 options have a revenue increase for all systems, for all customer types, they also have a lower  
4 revenue increase for all systems than the single tariff pricing options. Thus, I have chosen  
5 these options because by increasing each system individually based on spreading out the  
6 increase in rates, it avoids very large increases in revenues for some systems that the single  
7 tariff pricing options cause.

8 **Q. What is your recommendation generally regarding the options you have provided?**

9 A. I recommend that the Commission choose the options I specifically recommend above.  
10 Generally, I recommend that the Commission choose an option for rate design that is not  
11 single tariff pricing.

12 **Q. Does this conclude your testimony?**

13 A. Yes.



## Case Participation and Presentations of Jordan Seaver

Company Name	Employed Agency	Case Number	Issues
Eversource Missouri West	Office of the Public Counsel (OPC)	EA-2022-0328	<b>Surrebuttal:</b> Economic Performance, Performance-Based Accreditation, Intermittent Resource Declining Marginal Value, Curtailments Related to Conservation Concerns
Ameren Missouri	OPC	ER-2022-0337	<b>Direct:</b> Utility Coordination on Excavation of Distribution Projects, Customer Account Simulator, Generating Capacity and Reliability
N/A	OPC	AW-2023-0156	Working Group Docket for a Repository of Utility Actions Related to Securing Funding from the IIJA and IRA
Spire Missouri	OPC	GR-2022-0179	<b>Direct:</b> Executive Incentive Compensation, Spire STL Pipeline  <b>Surrebuttal:</b> Transportation Tariff, Operational Flow Order Penalties
Eversource Missouri West	OPC	ER-2022-0130	<b>Direct:</b> Market Based Demand Response Program and Emergency Conservation Plan Tariff Sheet Changes, Residential Battery Energy Storage Pilot Program, Low-Income Solar Subscription Pilot  <b>Rebuttal:</b> Same as Direct  <b>Surrebuttal:</b> Same as Direct and Rebuttal

## Case Participation and Presentations of Jordan Seaver

<p>Evergy Missouri Metro</p>	<p>OPC</p>	<p>ER-2022-0129</p>	<p><b>Direct:</b> Market Based Demand Response Program and Emergency Conservation Plan Tariff Sheet Changes, Residential Battery Energy Storage Pilot Program, Low-Income Solar Subscription Pilot</p> <p><b>Rebuttal:</b> Same as Direct</p> <p><b>Surrebuttal:</b> Same as Direct and Rebuttal</p>
<p>Empire District Gas Company d/b/a Liberty</p>	<p>OPC</p>	<p>GR-2021-0320</p>	<p><b>Rebuttal:</b> Weather Normalization Adjustment Rider</p>