

# Exhibit No. 112

*Exhibit No.:*  
*Issue(s):* *General Information &  
Miscellaneous*  
*Witness:* *Amanda C. McMellen*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *WA-2021-0376*  
*Date Testimony Prepared:* *April 26, 2022*

**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL AND BUSINESS ANALYSIS DIVISION**  
**AUDITING DEPARTMENT**

**DIRECT TESTIMONY**  
**OF**  
**AMANDA C. MCMELLEN**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WA-2021-0376**

*Jefferson City, Missouri*  
*April 2022*

1 **DIRECT TESTIMONY**

2 **OF**

3 **AMANDA C. MCMELLEN**

4 **MISSOURI-AMERICAN WATER COMPANY**

5 **CASE NO. WA-2021-0376**

6 Q. Please state your name and business address.

7 A. Amanda C. McMellen, 200 Madison Street, Suite 440, Jefferson City,  
8 MO 65101.

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

10 A. I am employed by the Missouri Public Service Commission (“Commission”) as  
11 a Utility Regulatory Audit Unit Supervisor.

12 Q. Are you the same Amanda McMellen who sponsored Rebuttal testimony in  
13 this case?

14 A. Yes.

15 Q. How did Staff arrive at its net book value recommendation for the Arbors?

16 A. Staff reviewed and analyzed information provided by Missouri American Water  
17 Company (MAWC) and the City of Eureka in the application (including sale agreement  
18 documents), MAWC workpapers, responses to Staff’s data requests, on-site visits, and the  
19 appraisal included in MAWC’s application (with supporting documentation). During the onsite  
20 visit at the City of Eureka office on August 10, 2021, Barb Flint (Finance Director for the City  
21 of Eureka) stated that the water system serving the Arbors subdivision was completely  
22 contributed by the developer.

1 Q. During the onsite visit, did anyone mention the annual assessments or the  
2 establishment of a Community Improvement District (CID)?

3 A. No. There was no mention of annual assessments or a CID during the onsite visit  
4 or any time thereafter. For further information regarding the assessments and the CID, please  
5 refer to the Direct testimony of Staff witness Curtis Gateley.

6 Q. During the onsite visit, did anyone mention that residents of the Arbors would  
7 continue to pay annual assessments to the CID to include costs for development of the water  
8 system serving the Arbors, regardless of the contribution of the water system from the developer  
9 to the City of Eureka?

10 A. No. Neither MAWC nor City of Eureka personnel that attended the onsite visit  
11 mentioned the annual assessments or the CID.

12 Q. Who attended the onsite visit?

13 A. For Staff, Angela Niemeier and I attended the onsite visit. For MAWC,  
14 Andie Cokel, Brian LaGrand, and Steve Miller were in attendance. For the City of Eureka,  
15 Barb Flint and Mayor Sean Flower were also in attendance.

16 Q. Do you believe that Ms. Flint was aware of the assessments and CID for the  
17 Arbors subdivision?

18 A. Yes. It is my understanding that Ms. Flint has been on the Board of Directors  
19 for the CID since at least June 24, 2020 and would therefore be aware of the details of the CID,  
20 including the assessments to its residents.

21 Q. If Staff had been made aware that the CID was assessing residents to reimburse  
22 the developer of the Arbors for, among other thing, the water system serving the Arbors, would  
23 Staff have investigated those payments further?

1           A.     Yes. Staff would have investigated into the annual assessments and the CID if it  
2 had been made aware of the situation.

3           Q.     Does this conclude your direct testimony?

4           A.     Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Application of )  
Missouri-American Water Company for a ) Case No. WA-2021-0376  
Certificate of Convenience and Necessity )  
Authorizing it to Install, Own, Acquire, )  
Construct, Operate, Control, Manage and )  
Maintain a Water System and Sewer System )  
in and Around the City of Eureka, Missouri )

**AFFIDAVIT OF AMANDA C. MCMELLEN**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW** Amanda C. McMellen, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Amanda C. McMellen*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

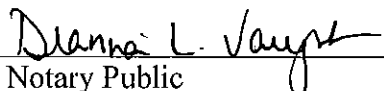
Further the Affiant sayeth not.

  
\_\_\_\_\_  
Amanda C. Mellen

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 26th day of April 2022.

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: July 18, 2023  
Commission Number: 15207377

  
\_\_\_\_\_  
Notary Public

**Amanda C. McMellen**

**SUMMARY OF RATE CASE TESTIMONY FILED**

<b><u>COMPANY</u></b>	<b><u>CASE NO.</u></b>	<b><u>ISSUES</u></b>
Osage Water Company	SR-2000-556	Plant in Service Depreciation Reserve Depreciation Expense Operation & Maintenance Expense
Osage Water Company	WR-2000-557	Plant in Service Depreciation Reserve Depreciation Expense Operation & Maintenance Expense
Empire District Electric Company	ER-2001-299	Plant in Service Depreciation Reserve Depreciation Expense Cash Working Capital Other Working Capital Rate Case Expense PSC Assessment Advertising Dues, Donations & Contributions
UtiliCorp United, Inc./ d/b/a Missouri Public Service	ER-2001-672	Insurance Injuries and Damages Property Taxes Lobbying Outside Services Maintenance SJLP Related Expenses
BPS Telephone Company	TC-2002-1076	Accounting Schedules Separation Factors Plant in Service Depreciation Reserve Revenues Payroll Payroll Related Benefits Other Expenses
Aquila, Inc. d/b/a Aquila Networks-MPS & Aquila Networks-L&P	ER-2004-0034	Revenue Annualizations Uncollectibles
Fidelity Telephone Company	IR-2004-0272	Revenue Revenue Related Expenses
Aquila, Inc. d/b/a Aquila Networks-MPS & Aquila Networks-L&P	ER-2005-0436	Revenue Annualizations Uncollectibles

**Continued Amanda C. McMellen  
Summary of Rate Case Testimony Filed**

<u>COMPANY</u>	<u>CASE NO.</u>	<u>ISSUES</u>
Empire District Electric Company	ER-2006-0315	Payroll Payroll Taxes 401(k) Plan Health Care Costs Incentive Compensation Depreciation Expense Amortization Expense Customer Demand Program Deferred State Income Taxes Income Taxes
Aquila, Inc. d/b/a Aquila Networks-MPS & Aquila Networks-L&P	ER-2007-0004	Revenue Annualizations Uncollectibles Maintenance Expenses Turbine Overhaul Maintenance
Empire District Electric Company	ER-2008-0093	Revenues Bad Debts Employee Benefits Tree Trimming Storm Costs Customer Programs Amortizations Current Income Taxes Deferred Income taxes Jurisdictional Allocations Corporate Allocations
Missouri Gas Energy, a Division of Southern Union Company	GR-2009-0355	Staff Report Cost of Service Revenues-Customer Growth Corporate Allocations Other Rate Base Items Amortization Expense Interest expense on customer Deposits Rents and Leases
Missouri-American Water Company	WR-2010-0131	Staff Report Cost of Service Corporate and District Allocations Lobbying Costs Net Negative Salvage Amortization of Regulatory Assets Belleville Lab Expenses Comprehensive Planning Study Payroll Payroll Taxes



**Continued Amanda C. McMellen  
Summary of Rate Case Testimony Filed**

<u>COMPANY</u>	<u>CASE NO.</u>	<u>ISSUES</u>
Kansas City Power & Light Company	ER-2010-0355	Staff Report Cost of Service Revenues-Customer Growth In-Field Service Fees Gross Receipts Taxes Forfeited Discounts Other Revenues Credit Card Acceptance Program Bad Debts
KCP&L Greater Missouri Operations Company	ER-2010-0356	Staff Report Cost of Service Revenues-Customer Growth Other Revenues Credit Card Acceptance Program Bad Debts
Empire District Electric Company	ER-2011-0004	Staff Report Cost of Service Plant in Service Depreciation Reserve Depreciation Expense Pensions & OPEBs Customer Programs Amortizations Carrying Costs Revenue Annualizations
Empire District Electric Company	ER-2012-0345	Staff Report Cost of Service Plant in Service Depreciation Reserve Depreciation Expense Prepayments Materials and Supplies Customer Demand Programs Amortization of Electric Plant Customer Deposits Customer Advances Carrying Costs Customer Programs Customer Deposit Interest Expense Franchise Taxes Amortizations Banking Fees Lease Expense Pay Station Fees Amortizations
Summit Natural Gas Company of Missouri, Inc.	ER-2014-0086	Corporate Allocations Capitalization Policy MGU Purchase Price SMNG Legacy Asset Valuation Energy Efficiency Programs

**Continued Amanda C. McMellen  
Summary of Rate Case Testimony Filed**

<u>COMPANY</u>	<u>CASE NO.</u>	<u>ISSUES</u>
Empire District Electric Company	ER-2016-0023	Staff Report Cost of Service Test Year/Update/True-Up Accumulated Deferred Income Taxes SWPA Hydro Reimbursement SPP Revenues and Expenses SPP Transmission Expenses ASM Revenue and Expense Miscellaneous SPP Related Revenues and Expenses Off-System Sales Revenue and Expense Current Income Taxes Deferred Income Taxes Rate Case Expense-Sharing Advertising Dues and Donations SWPA Amortization Tornado AAO Amortization Corporate Expenses Capitalized Depreciation Proposed Acquisition
Terre Du Lac utilities Corporation	WR-2017-0110	Rate Base
Spire Missouri, Inc.	GR-2017-0215 GR-2017-0216	Bad Debts
Missouri-American Water Company	WR-2017-0285	Plant in Service Contributions in Aid of Construction Regulatory Deferrals Depreciation Reserve Depreciation Expense Amortization Expense Customer owned Lead Service Lines
Empire District Electric Company	ER-2019-0374	Fuel Inventories Fuel and Purchased Power
Missouri-American Water Company	WR-2020-0344	Plant in Service Contributions in Aid of Construction Other Rate Base Regulatory Deferrals Depreciation Reserve Depreciation Expense Amortization Expense Property Tax Tracker Customer owned Lead Service Lines