

Exhibit No. 108

Staff – Exhibit 108
Amanda C. McMellen
Direct Testimony (Cost of Service)
File No. WR-2022-0303

Exhibit No.:
Issue(s): Plant
Depreciation Reserve
Witness: Amanda C. McMellen
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: WR-2022-0303
Date Testimony Prepared: November 22, 2022

MISSOURI PUBLIC SERVICE COMMISSION
FINANCIAL AND BUSINESS ANALYSIS DIVISION
AUDITING DEPARTMENT

DIRECT TESTIMONY
OF
AMANDA C. MCMELLEN

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2022-0303

Jefferson City, Missouri
November 2022

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DIRECT TESTIMONY OF
AMANDA C. MCMELLEN
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WR-2022-0303**

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DIRECT TESTIMONY OF
AMANDA C. MCMELLEN
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WR-2022-0303

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5 Q. Please state your name and business address.

6 A. My name is Amanda C. McMellen. My business address is 200 Madison St.,
7 Suite 440, Jefferson City, MO 65101.

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

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

11 Q. Please describe your educational background and experience.

12 A. I graduated from the DeVry Institute of Technology in June 1998 with a
13 Bachelor of Science degree in Accounting. I commenced employment with the Commission
14 Staff (“Staff”) in June 1999.

15 Q. Have you previously filed testimony before the Commission?

16 A. Yes, numerous times. Please refer to Schedule ACM-d1, attached to this
17 Direct Testimony, for a list of the major audits in which I have assisted and filed testimony with
18 the Commission.

19 Q. What knowledge, skills, experience, training and education do you have in the
20 areas of which you are testifying as an expert witness?

21 A. I have received continuous training at in-house and outside seminars on
22 technical ratemaking matters since I began my employment at the Commission. I have been
23 employed by this Commission as a Regulatory Auditor for over 20 years, and have submitted

1 testimony on ratemaking matters numerous times before the Commission. I have also been
2 responsible for the supervision of other Commission employees in rate cases and other
3 regulatory proceedings.

4 **EXECUTIVE SUMMARY**

5 Q. What is the purpose of your direct testimony?

6 A. The purpose of my direct testimony is to provide Staff's recommendation for
7 plant in service (including acquisitions) and depreciation reserve.

8 **PLANT IN SERVICE AND ACCUMULATED DEPRECIATION RESERVE**

9 Q. Did Staff include Plant in Service ("Plant") and Accumulated Depreciation
10 Reserve ("Reserve") in its revenue requirement?

11 A. Yes. Staff included Plant and Reserve based on actual book amounts as of
12 June 30, 2022, the agreed upon test year in this case. Staff intends to include changes to
13 Plant and Reserve balances through December 31, 2022, in its true-up accounting schedules.

14 Q. Did Staff adjust the June 30, 2022, book amount for Plant?

15 A. No. Staff recommends no adjustments to Missouri-American Water Company's
16 ("MAWC") June 30, 2022, Plant balance.

17 Q. Did Staff adjust the June 30, 2022, book amount for Reserve?

18 A. Yes. Staff recommends that adjustments be made in certain districts for land
19 accounts in which MAWC reported Reserve. As land is not a depreciable asset, Staff made
20 adjustments of \$992 for water and \$27 for sewer to remove these Reserve amounts.

21 Q. Does this conclude your direct testimony?

22 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water)
Company's Request for Authority to) Case No. WR-2022-0303
Implement General Rate Increase for Water)
and Sewer Service Provided in Missouri)
Service Areas)

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.

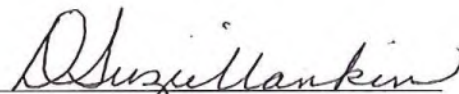
Further the Affiant sayeth not.


AMANDA C. McMELLEN

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 17th day of November 2022.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public

Amanda C. McMellen
Utility Regulatory Audit Unit Supervisor

EDUCATION

Bachelors of Science
DeVry Institute of Technology, Kansas City, MO-June 1998

PROFESSIONAL EXPERIENCE

Missouri Public Service Commission
Utility Regulatory Audit Unit Supervisor
March 2022 – Present
Utility Regulatory Auditor V (Utility Regulatory Audit Supervisor)
February 2013 – March 2022
Utility Regulatory Auditor IV
November 2006 – February 2013
Utility Regulatory Auditor III
June 2002 – November 2006
Utility Regulatory Auditor II
June 2000 – June 2002
Utility Regulatory Auditor I
June 1999 – June 2000

I am a Utility Regulatory Supervisor (former title Utility Regulatory Auditor V) for the Missouri Public Service Commission (Commission). I graduated from the DeVry Institute of Technology in June 1998 with a Bachelor of Science degree in Accounting. Before coming to work at the Commission, I worked as an accounts receivable clerk. I commenced employment with the Commission Staff in June 1999. As a Utility Regulatory Auditor, I am responsible for assisting in the audits and examinations of the books and records of utility companies operating within the state of Missouri.

AMANDA C. McMELLEN

SUMMARY OF RATE CASE TESTIMONY FILED

<u>COMPANY</u>	<u>CASE NO.</u>	<u>ISSUES</u>
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

<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

<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

<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

<u>COMPANY</u>	<u>CASE NO.</u>	<u>ISSUES</u>
Empire District Electric Company	ER-2021-0312	Staff Report Cost of Service Test Year/Update Fuel Inventories Asbury Retirement AAO AMI – Regulatory Asset Tornado AAO Amortization Fuel and Purchased Power – Fixed Costs Rate Case Sharing
Empire District Gas Company	GR-2021-0320	Energy Efficiency Programs
Empire District Electric Company	EO-2022-0040 EO-2022-0193	Financing Issues – Securitization