

# Exhibit No. 752

Issue: Rate Design  
Witness: Brian C. Collins  
Type of Exhibit: Rebuttal Testimony  
Sponsoring Parties: Triumph Foods, LLC  
Case Nos.: WR-2022-0303 & SR-2022-0304  
Date Testimony Prepared: January 25, 2023

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

\_\_\_\_\_)  
In the Matter of Missouri-American )  
Water Company's Request for Authority ) Case Nos. WR-2022-0303/  
to Implement General Rate Increase for ) SR-2022-0304  
Water and Sewer Service Provided in )  
Missouri Service Areas. )  
\_\_\_\_\_)

Rebuttal Testimony and Schedule of

**Brian C. Collins**

On behalf of

**Triumph Foods, LLC**

**REDACTED VERSION**

January 25, 2023



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

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In the Matter of Missouri-American  
Water Company's Request for Authority  
to Implement General Rate Increase for  
Water and Sewer Service Provided in  
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\_\_\_\_\_


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) Case Nos. WR-2022-0303/  
) SR-2022-0304  
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STATE OF MISSOURI     )  
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COUNTY OF ST. LOUIS    )       SS

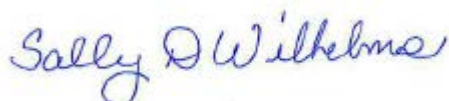
**Affidavit of Brian C. Collins**

Brian C. Collins, being first duly sworn, on his oath states:

1. My name is Brian C. Collins. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by Triumph Foods, LLC in this proceeding on their behalf.
2. Attached hereto and made a part hereof for all purposes are my rebuttal testimony and schedule which were prepared in written form for introduction into evidence in the Missouri Public Service Commission Case Nos. WR-2022-0303 and SR-2022-0304.
3. I hereby swear and affirm that the testimony and schedule are true and correct and that they show the matters and things that they purport to show.

  
\_\_\_\_\_  
Brian C. Collins

Subscribed and sworn to before me this 25<sup>th</sup> day of January, 2023.

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

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

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**In the Matter of Missouri-American  
Water Company's Request for Authority  
to Implement General Rate Increase for  
Water and Sewer Service Provided in  
Missouri Service Areas.**

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) **Case Nos. WR-2022-0303/  
SR-2022-0304**  
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**Rebuttal Testimony of Brian C. Collins**

1   **Q     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A     Brian C. Collins. My business address is 16690 Swingley Ridge Road, Suite 140,  
3         Chesterfield, MO 63017.

4   **Q     WHAT IS YOUR OCCUPATION?**

5   A     I am a consultant in the field of public utility regulation and a Managing Principal with  
6         the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory  
7         consultants.

8   **Q     PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

9   A     This information is included in Schedule BCC-1 to my testimony.

10  **Q     ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

11  A     This testimony is presented on behalf of Triumph Foods, LLC ("Triumph Foods").  
12         Triumph Foods owns and operates a large pork-processing facility in St. Joseph,  
13         Missouri and is the largest industrial consumer of water in Missouri-American Water  
14         Company's ("MAWC" or "Company") service territory. Triumph Foods currently

**Brian C. Collins  
Page 1**

1 employs approximately 2,500 people with 2,050 of those in production-related positions  
2 and 450 holding management and clerical positions.

3 Triumph Foods uses an extraordinary amount of water far in excess of typical  
4 industrial water consumers and operates under a special service contract with MAWC  
5 (described below) and thus has a vested interest in these proceedings.

6 **Q WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?**

7 A This rebuttal testimony will address the Staff's direct testimony on class cost of service  
8 and rate design in regard to the special contract Triumph Foods has with MAWC. I will  
9 discuss why the special contract continues to be in the public interest and appropriate  
10 for Triumph Foods.

11 **Q WHAT BUSINESS IS TRIUMPH FOODS INVOLVED IN AND IN WHAT PART OF  
12 MAWC'S SERVICE TERRITORY DOES IT OPERATE?**

13 A Triumph Foods is a pork processing operation located in St. Joseph, Missouri, currently  
14 employing approximately 2,500 employees at its St. Joseph operations.

15 **Q PLEASE DESCRIBE THE GROWTH OF TRIUMPH FOODS IN ST JOSEPH.**

16 A Triumph Foods began its operations in St. Joseph in 2006. In 2007, Triumph Foods  
17 added a second shift increasing its employee workforce to 2,000 employees. In 2010,  
18 Triumph Foods expanded its operations and added several hundred employees. In  
19 2012, Triumph Foods expended \$9.5 million to increase its refrigeration and packaging  
20 space to meet growing demand for product exports. This expansion also added jobs  
21 to the workforce. In 2013, Triumph Foods announced a \$7.5 million expansion for  
22 improvements in packaging and storage facilities.

1 In 2016, Daily Premium Meats began operations adjacent to Triumph Foods  
2 with an initial level of 140 employees. Today, Daily Premium Meats has 429  
3 employees. Daily Premium Meats is 50% owned by Triumph Foods.

4 Daily Premium Meats operated at full capacity in 2020 and implemented a  
5 \$10 million expansion that increased retail bacon product by over 100% by the end of  
6 2021.

7 In 2022, Triumph Foods completed an approximate \$10 million expansion to its  
8 equilibration bays.

9 Triumph Foods has also recently announced a nearly \$12 million project to add  
10 additional technology to its production floor. In addition, an approximate \$3 million  
11 project is underway that will automate operations in its export coolers with conveyors,  
12 palletizing robots, and wrapping robots. These projects are in addition to its approved  
13 \$12 million recurring capital expansion budget for 2023.

14 Overall, Triumph Foods has committed approximately \$51 million to capital  
15 projects at its St. Joseph facility over the last three years (2020-2023).

16 **Q IS TRIUMPH FOODS A MAJOR EMPLOYER IN ST. JOSEPH?**

17 A Yes. Triumph Foods is the second largest employer in the St. Joseph area in terms of  
18 total workforce levels, and the largest employer in the area in terms of revenues. In  
19 addition, Triumph is involved in many civic activities, supports charitable organizations,  
20 and invests in the economic infrastructure of St. Joseph.

21 **Q DOES TRIUMPH FOODS USE WATER IN ITS OPERATIONS?**

22 A Yes. In fact, Triumph Foods is MAWC's single largest customer. Triumph Foods'  
23 annual water usage is in excess of \*\*\* [REDACTED] \*\*\*.

1 **Q IS TRIUMPH FOODS CURRENTLY SERVED BY MAWC PURSUANT TO A**  
2 **SPECIAL CONTRACT?**

3 A Yes. Triumph Foods has been operating under a special contract since the beginning  
4 of its operations in St. Joseph.

5 **Q DOES THE SPECIAL CONTRACT COVER THE VARIABLE COSTS OF PROVIDING**  
6 **WATER SERVICE TO TRIUMPH FOODS AND PROVIDE FOR A CONTRIBUTION**  
7 **TO THE FIXED COSTS OF MAWC?**

8 A Yes. The special contract terms assure that the variable costs of serving Triumph  
9 Foods are recovered in the rate. The special contract rate is typically revised each  
10 MAWC rate case based on changes in the following costs:

- 11 • Fuel and power costs;
- 12 • Chemical costs; and
- 13 • Miscellaneous water treatment expenses.

14 The above costs represent the variable costs of serving Triumph Foods.

15 In addition to those costs, the special contract also has a provision for marginal  
16 cost recovery, which relates to Triumph Foods making a contribution to the fixed costs  
17 of MAWC.

18 **Q IS THE SPECIAL CONTRACT WITH TRIUMPH FOODS BENEFICIAL TO THE**  
19 **OTHER MAWC CUSTOMERS IN ST. JOSEPH?**

20 A Yes. Because the special contract calls for Triumph Foods to provide a contribution to  
21 MAWC's fixed costs, and allows MAWC to recover its variable costs to serve Triumph  
22 Foods, the other customers of St. Joseph are paying less for water service than if  
23 Triumph Foods were not on the MAWC system.

1 **Q HOW DID THE COMPANY REFLECT THE TRIUMPH FOODS SPECIAL CONTRACT**  
2 **IN ITS COST OF SERVICE (REVENUE REQUIREMENT)?**

3 A MAWC reflected Triumph Foods in its cost of service at a rate of \*\*\*[REDACTED]\*\*\* per  
4 100 gallons water sold. This rate was based on the Company's filed revenue  
5 requirement and class cost of service study. To the extent the Company's filed revenue  
6 requirement or class cost of service study results are adjusted, I would expect that the  
7 Triumph rate will be updated.

8 **Q DID STAFF ADDRESS THE TRIUMPH FOODS RATE IN ITS RATE DESIGN**  
9 **TESTIMONY?**

10 A Yes. Staff witness Keri Roth addresses the Triumph Foods contract rate in her class  
11 cost of service and rate design direct testimony. She recommends that the  
12 Commission approve continuation of MAWC's special contract with Triumph Foods. I  
13 support Ms. Roth's recommendation.

14 **Q PLEASE SUMMARIZE YOUR TESTIMONY.**

15 A Triumph Foods is a major employer in St. Joseph, Missouri. Triumph Foods has  
16 continued to grow its operations in St. Joseph adding hundreds of jobs over a period  
17 of several years. Triumph Foods is MAWC's largest water user. Triumph Foods'  
18 decision to locate in St. Joseph was directly linked to the accessibility of water at the  
19 reduced rate contained in the current special contract. The St. Joseph area is  
20 experiencing many rewards from the decision of Triumph Foods to locate in St. Joseph.  
21 There is no credible rationale to discontinue the special contract at this time.



1 Q DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A Yes, it does.

## Qualifications of Brian C. Collins

1    **Q     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2    A     Brian C. Collins. My business address is 16690 Swingley Ridge Road, Suite 140,  
3            Chesterfield, MO 63017.

4    **Q     WHAT IS YOUR OCCUPATION AND BY WHOM ARE YOU EMPLOYED?**

5    A     I am a consultant in the field of public utility regulation and a Managing Principal with  
6            the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory  
7            consultants.

8    **Q     PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND WORK  
9            EXPERIENCE.**

10   A     I graduated from Southern Illinois University Carbondale with a Bachelor of Science  
11            degree in Electrical Engineering. I also graduated from the University of Illinois at  
12            Springfield with a Master of Business Administration degree. Prior to joining BAI, I was  
13            employed by the Illinois Commerce Commission and City Water Light & Power  
14            ("CWLP") in Springfield, Illinois.

15            My responsibilities at the Illinois Commerce Commission included the review of  
16            the prudence of utilities' fuel costs in fuel adjustment reconciliation cases before the  
17            Commission as well as the review of utilities' requests for certificates of public  
18            convenience and necessity for new electric transmission lines. My responsibilities at  
19            CWLP included generation and transmission system planning. While at CWLP, I  
20            completed several thermal and voltage studies in support of CWLP's operating and  
21            planning decisions. I also performed duties for CWLP's Operations Department,

1 including calculating CWLP's monthly cost of production. I also determined CWLP's  
2 allocation of wholesale purchased power costs to retail and wholesale customers for  
3 use in the monthly fuel adjustment.

4 In June 2001, I joined BAI as a Consultant. Since that time, I have participated  
5 in the analysis of various utility rate and other matters in several states and before the  
6 Federal Energy Regulatory Commission ("FERC"). I have filed or presented testimony  
7 before the Arkansas Public Service Commission, the California Public Utilities  
8 Commission, the Colorado Public Utilities Commission, the Delaware Public Service  
9 Commission, the Public Service Commission of the District of Columbia, the Florida  
10 Public Service Commission, the Georgia Public Service Commission, the Guam Public  
11 Utilities Commission, the Idaho Public Utilities Commission, the Illinois Commerce  
12 Commission, the Indiana Utility Regulatory Commission, the Kentucky Public Service  
13 Commission, the Public Utilities Board of Manitoba, the Minnesota Public Utilities  
14 Commission, the Mississippi Public Service Commission, the Missouri Public Service  
15 Commission, the Montana Public Service Commission, the North Carolina Utilities  
16 Commission, the North Dakota Public Service Commission, the Public Utilities  
17 Commission of Ohio, the Oklahoma Corporation Commission, the Oregon Public Utility  
18 Commission, the Rhode Island Public Utilities Commission, the Public Service  
19 Commission of Utah, the Virginia State Corporation Commission, the Washington  
20 Utilities and Transportation Commission, the Public Service Commission of Wisconsin,  
21 and the Wyoming Public Service Commission. I have also assisted in the analysis of  
22 transmission line routes proposed in certificate of convenience and necessity  
23 proceedings before the Public Utility Commission of Texas.

1           In 2009, I completed the University of Wisconsin – Madison High Voltage Direct  
2           Current (“HVDC”) Transmission Course for Planners that was sponsored by the  
3           Midwest Independent Transmission System Operator, Inc. (“MISO”).

4           BAI was formed in April 1995. BAI and its predecessor firm have participated  
5           in more than 1,000 regulatory proceedings in forty states and Canada.

6           BAI provides consulting services in the economic, technical, accounting, and  
7           financial aspects of public utility rates and in the acquisition of utility and energy  
8           services through RFPs and negotiations, in both regulated and unregulated markets.  
9           Our clients include large industrial and institutional customers, some utilities and, on  
10          occasion, state regulatory agencies. We also prepare special studies and reports,  
11          forecasts, surveys and siting studies, and present seminars on utility-related issues.

12          In general, we are engaged in energy and regulatory consulting, economic  
13          analysis and contract negotiation. In addition to our main office in St. Louis, the firm  
14          also has branch offices in Corpus Christi, Texas; Detroit, Michigan; Louisville, Kentucky  
15          and Phoenix, Arizona.

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