

44. Please provide a copy of each and every agreement, contract Memorandum of Understanding or similar document between the company and Mr. Thaman, Mr. Thaman's employer, Mr. D'Ascendis, and/or Mr. D'Ascendis' employer (hereinafter referred to as the "Consultants").

See attached agreements.

FILED
December 7, 2017
Data Center
Missouri Public
Service Commission

45. Please describe in detail how the Company found the hourly rate charged by the Consultants to be fair, reasonable and competitive.

We have approached multiple groups to provide professional services. It is our experience that current commercial banking professions are unwilling or unable to provide expert testimony due to the highly public nature of the subject material or due to existing employment agreements. We have previously approached three other investment banking groups to provide testimony. Those groups have either asked for a higher fee or been unable to provide testimony based on internal regulatory requirements.

46. Please provide a copy of any due diligence performed by the Company prior to selecting the Consultants.

See DR 45. All of our contact has been via phone calls to industry professionals.

47. Please provide a copy of any request for proposals or request for bids for the work that the Company awarded to the Consultants.

See DR 46

48. Please provide a description of any relationship between the Company and the Consultants prior to the Company's filing for this rate increase.

The Company used both consultants in the Raccoon Creek rate case.

49. Please provide a list of each and every firm the Company contacted for potential award of the scope of work awarded to the Consultants and provide in detail the specific reason(s) why each firm was not selected.

As per DR 45, the Company has reached out to numerous consultants over the last two years. For the current Indian Hills case, we requested services from Janney Montgomery Scott but hourly fee request and their internal regulatory concerns prevented Indian Hills from retaining their services.

50. Please describe why multiple addresses appear multiple times under total service line replacement list contained in Schedule DAS-d2 of Staff Witness Spratt's direct testimony.

The repair and replacement information provided to the PSC and OPC was provided to the best of our knowledge and ability. Multiple addresses have occurred on repairs and replacements for a variety reasons. Those reasons include: the repair or replacement was completed by a contractor and that was the information the contractor provided to us; the contractor repaired or replaced the service connection at the address listed along with one or

more at adjacent properties but documented the repairs or replacements on one address; or, the contractor was uncertain of the address of the home serviced by that connection and gave the address to the best of their ability. Multiple contractors were initially utilized to repair or replace service connections, so initially, the repair and replacement data did not come in as consistently or completely as we would have preferred. We have strived to improve leak and repair documentation along with the speed of repairs.

51. Please identify as indicated by Staff witness Spratt at page 3 of direct testimony, when the company began replacing service connections rather than repairing the service connections. If it has not begun replacements, please indicate the reason it has continued to repair instead of replacing.

To some extent, replacements have always been occurred when practical. Replacements of service connections are typically made when a leak is uncovered and multiple prior repairs are found, and when circumstances allow the necessary time and capacity to perform the replacement. As has been previously discussed, due to specific circumstances for a given leak, to avoid multiple customers from having extended outages, to avoid safety concerns, or to mitigate damage to adjacent property, service connection leaks may be repaired versus replacing the service connection. A list of the criteria used in the process is found in response to OPC 53 below.

52. Please provide the contact information for the photographer of the photographs used in the Indian Hills slideshow/video (<http://www.centralstateswaterresources.com/communities/indian-hills/indian-hills-story/>), the address(es) for which the photograph relates, and please provide the date each photograph was taken along with a copy of the photographs.

The photographs were taken by a team of individuals at Vidzu Media with offices located at 1220 Olive St. Suite 210 Saint Louis, MO 63103. The manager of the team from Vidzu Media was Kyle Dufendach who can be reached at (314) 615-6520. Because Indian Hills personnel did not take the photographs, we do not have specific dates or possession of the photographs. Indian Hills may be able to work through the Vidzu team to provide additional information in regard to specific questions.

53. Please provide any and all criteria used by personnel of the Company or independent contractors of the Company to determine whether to replace or repair mains and service lines.

As referenced in the answer to question 51, there are four typical criteria considered when determining whether to repair or replace a water main or water service: 1) The material the existing water main or service is made of; 2) The age of the existing water main or service; 3) What prior repairs have been made; and, 4) Any negative impacts replacement (rather than repair) will have on the water service to the customer or customers. Generally, Indian Hills water mains and service connections are approximately 50 years old and made of substandard materials, therefore, the decision to repair or replace is usually focused on the 3rd and 4th criteria.

54. Please provide an accounting of the overall number of repairs of lines/mains and separate number for the overall amount of replacements for lines/months for each month during the test year and through the end of September 2017.

Please see the attached Indian Hills maintenance costs sheet, the attached IH Repair and Replacement List through 7-31-17, and the response to Staff DR 0059.

55. Please provide evidence of all copies of a policy or plan for the replacement of – or repair of- service lines and mains.

Please see DRs 50 and 51.

56. Please provide the Documents upon which the Consultants and/or Indian Hills relies for their/its capital structure calculation.

The Capital structure based on the Staff Stipulation agreement rate base of \$1,880,112, and Commission ordered debt principal of \$1,450,000.

57. Please provide all workpapers, calculations, and analysis for the capital structure in the direct testimony of the Consultants.

See DR 56.