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Exhibit No. 102

Staff – Exhibit 102
Coffer Direct
File No. WR-2023-0006

Exhibit No.:
Issue(s): Depreciation
Witness: Amanda Coffey
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: WR-2023-0006
Date Testimony Prepared: May 26, 2023

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENGINEERING ANALYSIS DEPARTMENT

DIRECT TESTIMONY

Cost of Service

OF

AMANDA COFFER

CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.

CASE NO. WR-2023-0006

Jefferson City, Missouri
May 2023

1 **DEPRECIATION**

2 Q. What is depreciation?

3 A. Depreciation is defined as “the loss in service value not restored by current
4 maintenance, incurred in connection with the consumption or prospective retirement of utility
5 plant in the course of service from causes which are known to be in current operation and against
6 which the utility is not protected by insurance. Among the causes to be given consideration are
7 wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art,
8 changes in demand, and requirements of public authorities.”¹

9 Q. Did Confluence Rivers Utility Operating Company, Inc. (“Confluence”) submit
10 its depreciation study, database, and property unit catalog in this case?

11 A. Confluence did submit a depreciation study, which was performed by Gannett
12 Fleming in 2022. In the absence of retirement data from the company, Gannett Fleming
13 estimated the service lives and net salvage for each account.² Staff will respond to the
14 Confluence depreciation study in its rebuttal testimony. Additionally, Confluence submitted
15 its account balances updated through December 31, 2021.

16 Q. Is Confluence requesting updated depreciation rates in this case?

17 A. Yes.

18 Q. Did Staff perform a depreciation study for this case?

19 A. No. Staff was unable to perform a depreciation study in this case due to lack of
20 retirement data.

21 Q. Is Staff recommending any changes to the depreciation rates that were ordered
22 in the last rate case?

¹ Definition from NARUC USOA for Class A and B Water Utilities 1973.

² Direct Testimony of Ned Allis, page 7, lines 20-25.

1 A. At this time, Staff recommends the continued use of the current depreciation
2 rates for Confluence, with a few changes. As Confluence operating revenues for water
3 and sewer were both in excess of \$500,000 for 2022, Staff is recommending a change to
4 align account numbers to the NARUC USOA Class A³ account numbers as detailed in the
5 following table:

6

Class D	Class A	Description
371	390	Structures & Improvements
372	391	Office Furniture & Equipment
372.1	391.1	Office Electronic & Computer Equip.
373	392	Transportation Equipment
379	394	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)
311/351	351	Structures & Improvements
372	370.1	Oxidation Lagoons
373	372	Treatment & Disposal Facilities
374	373	Plant Sewers
375	374	Outfall Sewer Lines

7

8 Additionally, there were multiple accounts that Confluence utilizes that were not listed
9 in the most recently ordered depreciation rate schedule as at the time of the last rate case these
10 accounts were not in use. Staff recommends the use of previously ordered depreciation rates
11 from Case No. WM-2021-0412 for water accounts 312, 316, 323, 328, 393, 395, 396, and 397;
12 and sewer account 372.1. This is reasonable because these rates were previously ordered by
13 the Commission to be used by Confluence for these accounts. Additionally, Staff recommends
14 the use of Missouri-American Water Company's (MAWC) current depreciation rates for water
15 accounts 317, 344, and 398; and sewer accounts 365 and 398.⁴ This is reasonable because

³ 20 CSR 4240-50.030(2)

⁴ MAWC depreciation rates ordered in Case No. WR-2022-0303.

1 MAWC is also a Class A water and sewer utility. The following table summarizes these
2 updates:

3

	Account	Description	Old Rate	New Rate	Source
Water	312	Collection Reservoirs	0%	2%	WM-2021-0412
	316	Supply Mains	0%	2%	WM-2021-0412
	317	Other Water Source Plant	0%	5.0%	MAWC current
	323	Other Power Equipment	0%	4%	WM-2021-0412
	328	Other Pumping Equipment	0%	4%	WM-2021-0412
	344	Fire Mains	0%	1.56%	MAWC current
	393	Other General Equipment/Stores Equipment	0%	10%	WM-2021-0412
	395	Lab Equipment	0%	5%	WM-2021-0412
	396	Power Operated Equipment	0%	6.7%	WM-2021-0412
	397	Communication Equipment	0%	6.7%	WM-2021-0412
	398	Miscellaneous Equipment	0%	6.43%	MAWC current
Sewer	365	Other Pumping Equipment	0%	4.31%	MAWC current
	372.1	Sewer Collection Tanks	0%	20%	WM-2021-0412
	398	Miscellaneous Equipment	0%	6.43%	MAWC current

4
5 The complete depreciation rate schedule is provided in Schedule AC-d2.

6 Q. Does this conclude your direct testimony?

7 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Confluence Rivers Utility)
Operating Company, Inc.'s Request for) Case No. WR-2023-0006
Authority to Implement a General Rate)
Increase for Water Service and Sewer)
Service Provided in Missouri Service Areas)

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW AMANDA COFFER on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Amanda Coffe*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Amanda Coffe
AMANDA COFFER

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 23rd day of May 2023.

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

D. Suzie Mankin
Notary Public

Amanda Coffey

Present Position:

I am an Associate Engineer in the Engineering Analysis Department, of the Industry Analysis Division of the Missouri Public Service Commission.

Educational Background and Work Experience:

I received my Bachelor of Science in Chemical Engineering from the University of Missouri in 2012. I was employed by the Missouri Department of Natural Resources as an Environmental Engineer from 2015 through 2018. I have been employed by the Commission since 2018.

Case History:

Case Number	Utility	Type	Issue
EC-2020-0252	Evergy West	Electric	Formal Complaint
EO-2019-0315	KCPL	Electric	RES Compliance Report
EO-2019-0317	KCPL	Electric	RES Compliance Plan
EO-2019-0396	City of Gallatin	Electric	Addendum to Territorial Agreement
EO-2020-0060	Farmers' Electric	Electric	Territorial Agreement
EO-2020-0329	Evergy Metro	Electric	RES Compliance
EO-2020-0331	Evergy Metro	Electric	RES Compliance
EO-2020-0341	Evergy Metro	Electric	Vegetation Management Report
EO-2020-0342	Evergy West	Electric	Vegetation Management Report
EO-2021-0001	Empire	Electric	Reliability Compliance Report
ET-2021-0082	Ameren	Electric	Surge Protection Program
SA-2019-0161	United Services	Sewer	Depreciation
SR-2019-0157	S.K.&M.	Sewer	Depreciation
EA-2020-0371	Ameren	Electric	CCN Application Requirements
EO-2021-0163	SEMO	Electric	Change of Supplier
EO-2021-0345	Evergy Metro	Electric	RES Compliance
EO-2021-0346	Evergy West	Electric	RES Compliance
EO-2021-0347	Evergy Metro	Electric	RES Compliance
EO-2021-0348	Evergy West	Electric	RES Compliance
SA-2022-0014	Elm Hills	Sewer	Depreciation

cont. Coffey Case History

SA-2022-0029	Mid Mo Sanitation	Sewer	Depreciation
EE-2022-0074	Ameren	Electric	Variance Request
WA-2021-0391/SA-2021-0392	Missouri American Water	Water/Sewer	Depreciation
WA-2022-0049	Missouri American Water	Water/Sewer	Depreciation
ER-2021-0240	Ameren	Electric	Rate Case
ER-2021-0312	Empire	Electric	Rate Case
ER-2022-0129	Evergy	Electric	Rate Case – Green Pricing Plan
WA-2023-0003	Confluence Rivers	Water/Sewer	Depreciation
GR-2022-0179	Spire	Gas	Depreciation
EA-2022-0244	Ameren	Electric	Renewable Energy
WR-2022-0303	Missouri American Water	Water/Sewer	Depreciation
ER-2022-0337	Ameren	Electric	Solar Rebate Tariff, Landfill and Solar In-Service Criteria
ET-2023-0197	Empire	Electric	Solar Rebate Tariff

Confluence Rivers Utility Operating Company
SCHEDULE of DEPRECIATION RATES, WATER Class A
WR-2023-0006

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE
SOURCE OF SUPPLY		
311	Structures & Improvements	2.5%
312	Collection Reservoirs	2%*
314	Wells & Springs	2.0%
316	Supply Mains	2%*
317	Other Water Source Plant	5.0%
PUMPING PLANT		
321	Structures & Improvements	2.5%
323	Other Power Equipment	4%*
325	Electric Pumping Equipment	10.0%
325.1	Electric Submersible Pumping Equipment	10.0%
325.2	High Service or Booster Pumping Equip.	6.7%
328	Other Pumping Equipment	4%*
WATER TREATMENT EQUIPMENT		
331	Structures & Improvements	2.5%
332	Water Treatment Equipment	2.9%
TRANSMISSION & DISTRIBUTION MAINS		
341	Structures & Improvements	2.5%
342	Distribution Reservoirs & Standpipes	2.5%
343	Transmission & Distribution Mains	2.0%
344	Fire Mains	1.56%*
345	Customer Services	2.5%
346	Customer Meters, Bronze (Calibrate)	3.3%
346.1	Customer Meters, Plastic (Throw Aways)	10.0%
347	Customer Meter Pits & Installation	2.5%
348	Hydrants	2.0%
GENERAL PLANT		
390	Structures & Improvements	2.5%
391	Office Furniture & Equipment	5.0%
391.1	Office Electronic & Computer Equip.	20.0%
392	Transportation Equipment	13.0%
393	Other General Equipment/Stores Equipment	10%*
394	Tools/Shop/Garage Equip.	6.7%*
395	Lab Equipment	5%*
396	Power Operated Equipment	6.7%*
397	Communication Equipment	6.7%*
398	Miscellaneous Equipment	6.43%*

*Designates a rate proposed in this case, rather than a rate ordered by the Commission in a previous

Confluence Rivers Utility Operating Company
SCHEDULE OF DEPRECIATION RATES, SEWER Class A
WR-2023-0006

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATES
COLLECTION PLANT		
351	Structures & Improvements	4.0%
352.1	Collection Sewers (Force)	2.0%
352.2	Collection Sewers (Gravity)	2.0%
353	Services	2.0%
355	Flow Measurement Devices	3.3%
PUMPING PLANT		
361	Structures & Improvements	4.0%
362	Receiving Wells	4.0%
363	Electric Pumping Equipment	10.0%
365	Other Pumping Equipment	4.31%*
TREATMENT & DISPOSAL PLANT		
370.1	Oxidation Lagoons	4.0%
371	Structures and Improvements	4.0%
372	Treatment & Disposal Facilities	5.0%
372.1	Sewer Collection Tanks	20%*
373	Plant Sewers	2.5%
374	Outfall Sewer Lines	2.0%
GENERAL PLANT		
390	Structures & Improvements	4.0%
391	Office Furniture & Equipment	5.0%
391.1	Office Electronic & Computer Equip.	14.3%
392	Transportation Equipment	13.0%
393	Other General Equipment/Stores Equipment	10.0%
394	Tools/Shop/Garage Equip.	5.0%
395	Lab Equipment	5.0%
396	Power Operated Equipment	6.7%
397	Communication Equipment	6.7%
398	Miscellaneous Equipment	6.43%*

*Designates a rate proposed in this case, rather than a rate ordered by the Commission in a previous