

Exhibit No.:  
Issues: Miscellaneous Charges  
Witness: Curtis B. Gateley  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Rebuttal Testimony  
Case No.: WR-2015-0301  
Date Testimony Prepared: February 19, 2016

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**CURTIS B. GATELEY**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WR-2015-0301**

*Jefferson City, Missouri  
February 2016*

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

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

File No. WR-2015-0301

**AFFIDAVIT OF CURTIS B. GATELEY**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

**COMES NOW** Curtis B. Gateley and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Rebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Curtis B. Gateley

Subscribed and sworn to before me this 18<sup>th</sup> day of February, 2016.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 28, 2018 Commission Number: 14942086
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Notary Public

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**REBUTTAL TESTIMONY**

**OF**

**CURTIS B. GATELEY**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WR-2015-0301**

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Q. Please state your name and business address.

A. Curtis B. Gateley, P.O. Box 360, Jefferson City, Missouri, 65102.

Q. Are you the same Curtis B. Gateley who prepared the Class Cost of Service Study filed in Case No. WR-2015-0301?

A. Yes I am.

Q. What is the purpose of your Rebuttal Testimony?

A. The purpose of my Rebuttal Testimony is to rebut the portion of the Direct Testimony of Missouri-American Water Company (MAWC) witness Phillip C. Wood dealing with Miscellaneous Charges.

Q. What are Miscellaneous Charges?

A. Miscellaneous Charges are designed to recover the costs to the company associated with performing the services listed, such as testing the accuracy of the water meter. In the proposed tariff sheets MAWC also refers to these charges as "Service Charges".

Q. Does Staff support MAWC's proposed Miscellaneous Charges, which are also referred to as Service Charges, as shown in proposed consolidated water tariff No. 13, sheet Nos. RT 9.1-9.9, submitted by the company and discussed by Mr. Wood?

A. Staff does not support the Miscellaneous Charges in the water tariff, based on information received in MAWC's response to Data Request 0234.

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Curtis B. Gateley

1 Q. What information did you request in Data Request 0234?

2 A. Data Request 0234 asked MAWC to provide the actual costs for MAWC or its  
3 contractors to perform the services related to the Miscellaneous Charges.

4 Q. What information did MAWC provide in its response?

5 A. MAWC provided a cost of service study for the services associated with the  
6 Miscellaneous Charges.

7 Q. Did MAWC's cost of service study show that the proposed Miscellaneous  
8 Charges are in line with the cost to perform those services?

9 A. No, it does not show that costs are in line with proposed charges. Some of the  
10 proposed Miscellaneous Charges are below the costs to perform the associated service; some  
11 are much higher than the cost to perform the service.

12 Q. Do you have an alternative proposal?

13 A. Yes. The Miscellaneous Charges that are common to all service territories  
14 should be consolidated onto one page and adjusted to reflect the actual cost of service. The  
15 charges unique to a particular service territory should remain separated.

16 Q. What would the new Miscellaneous Charges be?

17 A. For the water tariff, the new Miscellaneous Charges would be:

18	Service Activation (Turn On), normal business hours	\$28
19	Service Activation (Turn On), outside of normal business hours	\$40
20	Service Discontinuance (Turn Off), normal business hours	\$28
21	Service Discontinuance (Turn Off), outside of normal business hours	\$40
22	Service Restoration, after an existing customer was disconnected for	
23	reason of nonpayment, which required the Company to excavate and	
24	install a meter or valve	Actual Cost
25	Meter Testing (accuracy of the meter)	\$39
26	Meter Reading	\$53
27	Late Payment	\$5 or 3%
28		of the balance, whichever is greater
29	Returned Check/Bad Check/Returned deposit	\$5

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1	Hydrant Inspection	\$15
2	Temporary Water Use from Hydrant	\$15/day
3	Investigative Report	\$55
4	Service Line Inspection	\$75

5  
6 Q. Does Staff support MAWC's proposed Miscellaneous Charges, which are also  
7 referred to as Service Charges, as shown in proposed consolidated sewer tariff No. 21, sheet  
8 Nos. 5D-5F, submitted by the company and discussed by Mr. Wood?

9 A. Yes, Staff does support the tariff, with the condition that the "Returned Check"  
10 charge be revised consistent with the cost of service study mentioned above.

11 Q. What about other charges, such as Connection Charges and Capacity Charges?

12 A. These charges are specific to particular facilities, designed to offset unique  
13 capital costs associated with those facilities. MAWC proposed no changes to the charges  
14 previously approved by the Commission, and I do not have information to suggest they  
15 should be changed.

16 Q. Are there other concerns you have with the tariff sheets referenced above?

17 A. Yes. The Miscellaneous Charges for the various water service territories  
18 appear on eight different pages in the tariff proposed by MAWC. Each page utilizes differing  
19 and confusing terminology, and based on the service territory names it is difficult to  
20 determine which charges apply to which customers. Staff and MAWC have informally  
21 discussed difficulties of correctly identifying service areas, and customer applicability in the  
22 existing consolidated water tariff (MAWC Tariff No. 13). Staff and MAWC are in agreement  
23 that service area identification throughout the tariff needs improvement.

24 Q. Does that complete your Rebuttal Testimony?

25 A. Yes, it does.