

Exhibit No.:
Issue(s): *Miscellaneous Service
Charges,
Low Income Rate*
Witness: *Curtis B. Gateley*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *WR-2017-0285*
Date Testimony Prepared: *January 23, 2018*

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

WATER AND SEWER DEPARTMENT

REBUTTAL TESTIMONY

OF

CURTIS B. GATELEY

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2017-0285

Jefferson City, Missouri
January 2018

1 obtained, then the rest of the ratepayers bear the remaining costs through higher rates. If excessive
2 compensation is obtained, it could contribute to over earning by a company.

3 Q. Does Staff support MAWC's proposed Miscellaneous Charges, which are also
4 referred to as Service Charges, as shown in the proposed tariffs submitted by the company with its
5 request for a rate increase and discussed by Mr. LaGrand?

6 A. Staff does not oppose MAWC's proposal to use one set of charges for all water
7 customers and one set of charges for all sewer customers. However, for its water customers,
8 MAWC proposes to use the existing Miscellaneous Charges in the tariffs that applied to
9 the largest number of customers, based on information received in MAWC's response to
10 Data Request 0038.1. Staff does not support this proposal.

11 Q. What information did you request in Data Request 0038.1?

12 A. Data Request 0038.1 asked MAWC to provide updated actual costs for MAWC or
13 its contractors to perform the services related to the Miscellaneous Charges.

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

15 A. MAWC provided an updated cost of service report for the services associated with
16 the Miscellaneous Charges.

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

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

Rebuttal Testimony of
Curtis B. Gateley

1 Q. Do you have an alternative proposal for water customers?

2 A. Yes. Based on MAWC's response, the Miscellaneous Charges that are common to
3 all water service territories should be:

4	Service Activation (Turn On), normal business hours	\$27.50
5	Service Activation (Turn On), outside of normal business hours	\$40.50
6	Service Discontinuance (Turn Off), normal business hours	\$27.50
7	Service Discontinuance (Turn Off), outside of normal business	
8	hours	\$40.50
9	Service Restoration, after an existing customer was disconnected for	
10	reason of nonpayment, which required the Company to excavate	
11	and install a meter or valve	Actual Cost
12	New Service Connection Fee	Actual Cost
13	Meter Testing (accuracy of the meter)	\$41.50
14	Meter Reading	\$27.50
15	Late Payment	1.5% of the balance
16	Returned Check/Bad Check/Returned deposit	\$4.00
17	Hydrant Inspection	\$15.00
18	Temporary Water Use from Hydrant	\$15.00/day
19	Investigative Report	\$25.00
20	Service Line Inspection	\$82.50
21	Bulk Sales via Vending Machine	\$4.50 per 1000 gal
22	Temporary Water Service	\$61.00

23 Q. What is Staff's proposal for sewer customers?

24 A. Staff does not oppose MAWC's proposed Charges for sewer customers, with the
25 exception of the Returned Check Charge. The proposed charge in the tariff filed by the company
26 is \$12.00. Staff recommends \$4.00 consistent with MAWC's DR response.

27 Q. Mr. LaGrand states in his direct testimony that MAWC would like to expand the
28 Company's low income program statewide. What is Staff's position on this proposal?

29 A. Staff, as stated in the Class Cost of Service Report, takes a position that the
30 program should be continued as a pilot program. Due to the short length of time since the program
31 was implemented not enough data has been collected to determine if the program needs to be
32 expanded or modified, or if the program has met its goal of reducing bad debt.

Rebuttal Testimony of
Curtis B. Gateley

- 1 Q. Does that complete your Rebuttal Testimony?
- 2 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-2017-0285
Implement General Rate Increase for Water)
and Sewer Service Provided in Missouri)
Service Areas)

AFFIDAVIT OF CURT B. GATELEY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

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

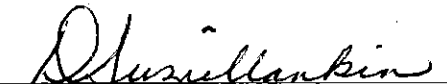
Further the Affiant sayeth not.


CURT B. GATELEY

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 January, 2018.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070


Notary Public