

Exhibit No.:
Issue:
Witness:
Type of Exhibit:
Sponsoring Party:
Case No.:

Depreciation of Plant
Guy C. Gilbert, P.E., P.G.
Rebuttal Testimony
MO PSC Staff
WA-97-510

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION

FILED

NOV 30 1998

APPLICATION OF GEORGE HOESCH
CASE NO. WA-97-510

Missouri Public
Service Commission

REBUTTAL TESTIMONY
OF
GUY C. GILBERT, P.E., P.G.

Jefferson City, Missouri
November 1998

1 REBUTTAL TESTIMONY

2 OF

3 GUY C. GILBERT, P.E., P.G.

4 APPLICATION OF GEORGE HOESCH

5 CASE NO. WA-97-510

6

7

Q. Please state your name and business address.

8

A. Guy C. Gilbert, P.O. Box 360, Jefferson City, Missouri, 65102.

9

Q. By whom are you employed and in what capacity?

10

A. I am employed by the Missouri Public Service Commission

11

(Commission) as an engineer in the Depreciation Department.

12

Q. What are your duties as an engineer in the Depreciation

13

Department?

14

A. I have the responsibility of performing studies regarding

15

depreciation and of reviewing plant property records, utility property sales and other

16

similar issues that may come before the Commission.

17

Q. Would you please state briefly your qualifications, educational

18

background and experience.

19

A. I have received degrees in Economics and Engineering from the

20

University of Missouri. I have received certifications and qualifications from the United

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States Department of Labor in Dam and Refuse Impoundment Inspector and Dam and

22

Refuse Impoundment Inspection Instructor. I have received certifications and

23

qualifications from the State of Illinois as Sewage Treatment Plant Operator, Class K;

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1 Industrial Wastewater Treatment Works Operator, Class K. I am a Registered
2 Professional Engineer and a Registered Professional Geologist in the State of Missouri.

3 In 1988, I was employed by the Illinois Commerce Commission. My
4 duties consisted of preparing studies of publicly held utilities operating within the State
5 of Illinois.

6 In 1994, I joined the Commission as an Engineer IV - Depreciation. In
7 this position I have successfully completed training in Basic Depreciation Concepts,
8 Models Used In Life and Salvage Studies, Forecasting Life and Salvage, and Advanced
9 Topics in Analysis and Forecasting from Depreciation Programs, Incorporated. My
10 duties consist of preparing depreciation studies and conducting engineering analysis for
11 regulated electric, gas, water, sewer and telephone utilities.

12 Q. Please state the purpose of your testimony in this case.

13 A. The purpose of my testimony is to make recommendations to
14 George Hoesch's application (Applicant) concerning depreciation.

15 Q. Are you proposing a schedule of depreciation rates for Applicant?

16 A. Yes. The attached Schedule 1 details the depreciation rates by
17 account for those accounts that I believe may be used by Applicant.

18 Q. Has Applicant requested or proposed new depreciation rates to
19 apply to the assets of the water company?

20 A. No. However, in Mr. Harwig's direct testimony at pages 5 and 6
21 he does refer to depreciation rates supplied by Staff of the Missouri Public Service
22 Commission. In Schedule 1 of Mr. Harwig's direct testimony, he lists a number of items
23 with depreciation rates. However, the account to which these items would be booked is

Rebuttal Testimony of
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1 not specified. Consequently, in Schedule 1 of Mr. Harwig's direct testimony at page 2,
2 lines 3 (Other Equipment) and 4 (Structure), I believe the more appropriate depreciation
3 rate is 2.0% as prescribed by account 317, in both instances.

4 Q. Please state your recommendation regarding the depreciation rates
5 tabulated on Schedule 1 of your rebuttal testimony.

6 A. It is my recommendation that the Commission, include in its final
7 Report and Order, approval of the depreciation rates contained in Schedule 1.

8 Q. Does this conclude your prepared direct testimony?

9 A. Yes, it does.

GEORGE HOESCH DEPRECIATION RATES

(WATER)

Case No. WA-97-510

<u>Acct. No.</u>	<u>Description of Account</u>	<u>Annual Rate</u>
311	Structures & Improvements	2.5%
314	Wells & Springs	2.0%
316	Supply Mains	2.0%
317	Other Water Source Plant	2.0%
321	Structures & Improvements	2.5%
325	Electric Pumping Equipment	10.0%
328	Other Pumping Equipment	5.0%
331	Structures & Improvements	2.5%
332	Water Treatment Equipment	2.9%
341	Structures & Improvements	2.5%
343	Transmission & Distribution Mains	2.0%
345	Services	2.9%
348	Hydrants	2.5%
349	Other Transmission & Distribution Plant	3.3%
390	Structures & Improvements	2.9%
391	Office Furniture & Equipment	5.0%
391.1	Office Computer Equipment	20.0%
392	Transportation Equipment	13.0%
394	Tools, Shop, Garage Equipment	5.0%
398	Miscellaneous Equipment	5.0%

(7 yr, +9% salv)

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

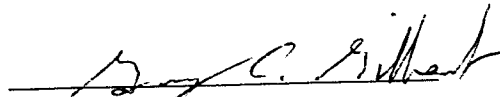
In the matter of the Application of)
George Hoesch, for a certificate of)
convenience and necessity authorizing)
him to own, operate, and maintain a)
water system for the public, located in)
an unincorporated area of the County)
of Gasconade, Missouri)
)
)
)

Case No. WA-97-510

AFFIDAVIT OF GUY C. GILBERT, P.E., P.G.

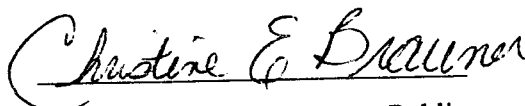
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Guy C. Gilbert of lawful age, on his oath states: that he has participated in the preparation of the foregoing written testimony in question and answer form; consisting of 3 pages and 1 schedule to be presented in this case; that the answers in the foregoing testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Guy C. Gilbert, P.E., P.G.

Subscribed and sworn to before me this 24 day of November 1998.



Notary Public

CHRISTINE E BRAUNER
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP JULY 22, 2001

My commission expires _____