

Exhibit No.:  
Issues: Cash Working Capital  
Witness: Jennifer M. Grisham  
Exhibit Type: Surrebuttal  
Sponsoring Party: Missouri-American Water Company  
Case No.: WR-2022-0303  
Date: February 8, 2023

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. WR-2022-0303**

**SURREBUTTAL TESTIMONY**

**OF**

**JENNIFER M. GRISHAM**

**ON BEHALF OF**

**MISSOURI-AMERICAN WATER COMPANY**

## AFFIDAVIT

I, Jennifer Grisham, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Sr. Manager Regulatory Services for Missouri American Water Company, that the accompanying testimony has been prepared by me or under my direction and supervision; that if inquiries were made as to the facts in said testimony, I would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Jennifer Brown Grisham

February 8, 2023  
Dated

**SURREBUTTAL TESTIMONY  
JENNIFER M. GRISHAM  
MISSOURI-AMERICAN WATER COMPANY  
CASE NO.: WR-2022-0303**

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**JENNIFER M. GRISHAM**

**I. INTRODUCTION**

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**Q. Please state your name and business address.**

A. My name is Jennifer M. Grisham, and my business address is 1 Water Street, Camden, NJ 08102.

**Q. Are you the same Jennifer Grisham who previously submitted Direct Testimony and Rebuttal Testimony in this proceeding?**

A. Yes.

**Q. What is the purpose of your surrebuttal testimony in this proceeding?**

A. The purpose of my Surrebuttal Testimony is to is to respond to the rebuttal testimony submitted by the Office of the Public Counsel (OPC) as it relates to adjustments to the Cash Working Capital (CWC) calculation in regard to prepayments of contracted services and the impact on the Company’s rate base. A detailed review of OPC’s CWC adjustments is provided in the Surrebuttal Testimony of Company witness Harold Walker.

**Q. Please identify the OPC Witness and their corresponding sponsored Rebuttal Testimony that your Surrebuttal Testimony will be addressing.**

A. OPC Witness Cassidy Weathers sponsored OPC’s CWC Rebuttal Testimony.

**II. WORKING CAPITAL**

**Q. Please summarize OPC’s adjustment to CWC Support Services and its impact on the Company’s rate base.**

A. OPC witness Weathers claims the billing methodology utilized by AMWC to make payments to the Service Company is improper because the services align with those from

1 Contracted Services. OPC's adjustment in lag days from negative 2.20 days to 48.80 days  
2 leads to a reduction in the Company's rate base of approximately \$4.17 million.

3 **Q. Do you agree with OPC's adjustment to CWC Support Services lead lag?**

4 A. No. First, OPC's adjustment ignores how these payments are actually made by the  
5 Company. Further, as discussed in the Surrebuttal Testimony of Company witness Harold  
6 Walker, Support Services and Contract Services provide a different offering of services to  
7 the Company, therefore it is not appropriate to treat their expense lags the same. Instead,  
8 the methodology presented by Witness Walker in his Direct Testimony and affirmed by  
9 Staff should be adopted for Support Services lead lag in this proceeding.

10 **Q. Does the Company pay other items in advance besides Service Company bills?**

11 A. Yes. Service Company bills are just one item of many that the Company pays in advance.  
12 For example, the Commission issues an annual PSC Fee Assessment to public utilities  
13 representing costs to be incurred by the Commission for services to regulate investor-  
14 owned utilities. Regulated utilities who incur this fee have the option to pay the annual  
15 amount in one lump sum or to pay through quarterly installments. MAWC pays its PSC  
16 Assessment issued by the Commission in quarterly installments in advance of the  
17 applicable quarter. The Company's prepayment of this fee provides the Commission an  
18 opportunity to have the necessary funds available to both operate and provide regulation to  
19 the state's utilities.

20 In addition to the Service Company bills and the PSC Assessment, MAWC also prepays  
21 vendors for items such as insurance, software licenses and maintenance fees.

22 **Q. Does this conclude your Surrebuttal Testimony?**

23 A. Yes.