

MAWC 2

Exhibit No.:
Issues: Fuel and power expense,
electricity heating oil
expense, purchased water,
chemical expense, penalties,
waste disposal, and
transportation

Witness: Nikole Bowen
Exhibit Type: Direct
Sponsoring Party: Missouri-American
Water Company
Case No.: WR-2015-0301
Case No.: SR-2015-0302
Date: July 31, 2015

MISSOURI PUBLIC SERVICE COMMISSION

**CASE NO. WR-2015-0301
CASE NO. WR-2015-0302**

DIRECT TESTIMONY

OF

NIKOLE L. BOWEN

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

MAWC Exhibit No. 2
Date 7-21-14 Reporter JT
File No. WR-2015-0301

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

IN THE MATTER OF MISSOURI-AMERICAN)
WATER COMPANY FOR AUTHORITY TO)
FILE TARIFFS REFLECTING INCREASED) CASE NO. WR-2015-0301
RATES FOR WATER AND SEWER) CASE NO. SR-2015-0302
SERVICE)

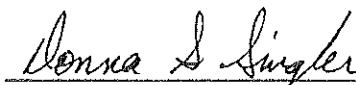
AFFIDAVIT OF NIKOLE L. BOWEN

Nikole L. Bowen, being first duly sworn, deposes and says that she is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Nikole L. Bowen"; that said testimony was prepared by her and/or under her direction and supervision; that if inquiries were made as to the facts in said testimony, she would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of her knowledge.



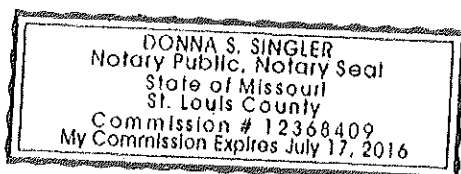
Nikole L. Bowen

State of Missouri
County of St. Louis
SUBSCRIBED and sworn to
Before me this 14th day of July 2015.



Notary Public

My commission expires: July 17, 2016



**DIRECT TESTIMONY
NIKOLE L. BOWEN
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WR-2015-0301
CASE No. SR-2015-0302**

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1 **DIRECT TESTIMONY**

2 **NIKOLE L. BOWEN**

3
4
5 **I. WITNESS INTRODUCTION**

6 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

7 A. My name is Nikole Bowen and my business address is 727 Craig Rd, St Louis, MO
8 63141.

9
10 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

11 A. I am employed by the American Water Works Service Company, Inc. ("AWWSC" or
12 the "Service Company") as a Rates & Regulatory Analyst.

13
14 **Q. WHAT ARE YOUR RESPONSIBILITIES IN THIS POSITION?**

15 A. My responsibilities include the preparation of work papers, exhibits, testimony and
16 related activities in support of rate applications and other regulatory filings for all
17 regulated companies of American Water Works ("AWW" or the "Company").

18
19 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

20 A. I am a graduate of Fontbonne University in Missouri with a Bachelor of Business
21 Administration.

22
23 **Q. WHAT HAS BEEN YOUR BUSINESS EXPERIENCE?**

24 A. I have been employed in with American Water since 2002. I started my career in 2002
25 in the Customer Service Center in Alton IL, holding various positions throughout the

1 Center. In 2009, I moved into the role of Billing Manager, responsible for all facets of
2 the revenue generation process, new business integration into the Customer Service
3 Center, rates implementation, and Sarbanes Oxley Compliance for billing related
4 controls. In March 2015, I moved to Rates and Regulatory Support as a Rates &
5 Regulatory Analyst III.

6
7 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY MATTERS?**

8 A. No.

9
10 **Q. HAVE YOU PREPARED, OR CAUSED TO BE PREPARED, FINANCIAL**
11 **EXHIBITS IN SUPPORT OF MISSOURI-AMERICAN WATER COMPANY'S**
12 **APPLICATION TO INCREASE RATES?**

13 A. I have prepared work papers, exhibits, and pre-filed testimony in support of this
14 application for Missouri-American Water Company

15
16 **Q. WHAT IS THE SOURCE OF THESE EXHIBITS?**

17 A. The exhibits have been prepared utilizing the general books and records of the Company
18 and other supporting data.

19
20 **II. FUEL AND POWER EXPENSE**

21 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES**
22 **RELATED TO FUEL AND POWER EXPENSE.**

1 A. The purpose of this adjustment is to annualize fuel and power expense that is
2 associated with the costs of pumping and delivering water and wastewater. The
3 details of this adjustment can be found at Schedule CAS-13, page 1.

4

5 **III. ELECTRICITY AND HEATING OIL EXPENSE**

6 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO ELECTRICITY AND**
7 **HEATING OIL EXPENSE.**

8 A. The purpose of this adjustment is to annualize electricity and heating oil expense that
9 is associated with the costs of providing electricity and heat to offices and work. The
10 details of this adjustment can be found at Schedule CAS-13, page 1.

11

12 **IV. PURCHASED WATER EXPENSE**

13 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES**
14 **RELATED TO PURCHASED WATER EXPENSE.**

15 A. The purpose of this adjustment is to annualize the costs incurred to purchase water
16 from outside sources. The pro forma costs are based on contract purchase
17 requirements and cost per thousand gallons. The details of this adjustment can be
18 found at Schedule CAS-13, page 1.

19

20 **V. CHEMICAL EXPENSE**

21 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES**
22 **RELATED TO CHEMICALS.**

23 A. The purpose of this adjustment is to annualize chemical usage amount to a normal
24 level needed to treat water and wastewater under normal conditions and demands at

1 current contract prices. The details of this adjustment can be found at Schedule CAS-
2 13, page 1.

3
4 **VI. WASTE DISPOSAL**

5 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES**
6 **RELATED TO WASTE DISPOSAL.**

7 A. The purpose of this adjustment is to annualize the Company's expense related to
8 waste disposal. Expenses were based on an operational cleaning schedule and
9 accruals for average cost. The adjustment is inclusive of waste disposal for both
10 Arnold and Redfield acquisitions. The Arnold adjustment contains interest expense
11 for the MSD Expansion. The details of this adjustment can be found at Schedule
12 CAS-13, page 1.

13
14 **VII. TRANSPORTATION**

15 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES**
16 **RELATED TO TRANSPORTATION LEASES.**

17 A. The Company has calculated its pro forma Transportation Lease expense based on
18 changes in leased vehicle levels expected to occur by December 31, 2014. A
19 summary of this adjustment is shown on CAS – 13.

20
21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22 A. Yes it does.