

Exhibit No.:
Issue(s): Policy
Witness: Natelle Dietrich
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: WA-2019-0299
Date Testimony Prepared: September 23, 2019

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

SURREBUTTAL TESTIMONY

OF

NATELLE DIETRICH

**CONFLUENCE RIVERS UTILITY
OPERATING COMPANY, INC.**

CASE NO. WA-2019-0299

*Jefferson City, Missouri
September 2019*

1 technical, managerial, and financial (“TMF”) capacity of the applicant. In this case, Staff
2 reviewed the experience and expertise of CRU’s president and its affiliates operating in
3 Missouri. In its Memorandum attached to my Direct Testimony as Schedule ND-d2
4 (“Memorandum”), Staff explains that CRU satisfies the TMF criteria.

5 When reviewing a request for a new CCN, Staff reviews the Tartan criteria: 1) the need
6 for service; 2) the utility’s qualifications; 3) the utility’s financial ability; 4) the feasibility of
7 the proposal; and, 5) promotion of the public interest. While not a “new” CCN, Staff considered
8 the Tartan criteria in its investigation of the current Application. For instance, since Port Perry
9 Service Company (“PPSC”) has decided to exit the water and sewer utility business and sell the
10 systems to CRU, there is a demonstrated need for service. As an example of economic
11 feasibility, Staff notes in its Memorandum that CRU has the advantage of economies-of-scale
12 since it is already providing water and sewer service to more than just the customers to which
13 it would be providing service in the PPSC service area.

14 Based on its review of the TMF and Tartan Factors in this case, Staff asserts that it is
15 not detrimental to the public interest for CRU to acquire the assets and CCNs of PPSC.
16 Further, the Commission has found that CRU’s affiliates meet the TMF or Tartan criteria in
17 previous cases¹ under the same or similar circumstances and conditions as proposed in this case.
18 Finally, as explained below, Staff witnesses provide additional Surrebuttal Testimony on
19 certain aspects of the TMF or Tartan criteria for Commission consideration.

20 Q. Mr. Justis, at page 4 beginning at line 18 through page 5 line 2, indicates the
21 acquisition of PPSC by CRU is detrimental to the public interest, and further indicates he

¹ For instance, see Case Nos. WM-2018-0116, SM-2018-0117, WM-2017-0151, SM-2017-0150.

1 worked with the Lake Perry community on an alternative “for the benefit of the community and
2 adjacent customers”. How does Staff respond?

3 A. Staff is aware that there is a business plan presented by LPLOA witnesses in this
4 case. However, Staff would note that the Commission only has one application before it – the
5 application for CRU to acquire the assets and CCNs of PPSC. As previously explained, and
6 without getting into legal arguments, the standard for Commission review is not which proposal
7 is best, but whether the Application before it is “not detrimental to the public interest.”
8 Further, PPSC has executed a contract for CRU to acquire its assets and CCNs. There is no
9 such contract between PPSC and LPLOA; therefore, at this time, there is no alternative for
10 Commission review or consideration should it not approve the Application.

11 Q. Confidential Schedule ND-d2 includes a list of several Staff witnesses
12 that contributed to the Memorandum. Are other Staff witnesses filing Surrebuttal Testimony
13 in this case?

14 A. Yes. Staff witness Kim Bolin, who contributed to the Rate Base portion of
15 Staff’s Memorandum, is filing Surrebuttal Testimony in response to LPLOA witness Justis on
16 issues that are ultimately future rate case issues; Staff witness Dana Parish, who contributed to
17 the Customer Notice/Customer Service portion of Staff’s Memorandum, is filing Surrebuttal
18 Testimony in response to LPLOA witness Justis and submitting information on the public
19 comments submitted in this case in response to a request at the Local Public Hearing; David
20 Roos, who contributed to the Water and Sewer analysis portion of Staff’s Memorandum is filing
21 Surrebuttal Testimony in response to LPLOA witness Justis. With the exception of Staff
22 member Daronn Williams, who prepared the Depreciation section of the Memorandum, all

Surrebuttal Testimony of
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1 other Staff members listed on the Memorandum provided information or support to the
2 Memorandum, but are not sponsoring contributors to the writing of the Memorandum.

3 Q. Does this conclude your Surrebuttal Testimony?

4 A. Yes it does.

