

No.:  
Issues: Cost of Service  
Witness: Jessica A. York  
Type of Exhibit: Rebuttal Testimony  
Sponsoring Party: MIEC  
Case No.: WR-2020-0344  
Date Testimony Prepared: January 22, 2021

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

\_\_\_\_\_)  
**In the Matter of the Application of** )  
**Missouri-American Water Company's** )  
**Request for Authority to Implement** ) **Case No. WR-2020-0344**  
**General Rate Increase for Water and** )  
**Sewer Service Provided in Missouri** )  
**Service Areas** )  
\_\_\_\_\_)

Direct Testimony of

**Jessica A. York**

On behalf of

**Missouri Industrial Energy Consumers**

January 22, 2021



Project 10995

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

In the Matter of the Application of  
Missouri-American Water Company's  
Request for Authority to Implement  
General Rate Increase for Water and  
Sewer Service Provided in Missouri  
Service Areas

Case No. WR-2020-0344

STATE OF MISSOURI        )  
  )        SS  
COUNTY OF ST. LOUIS    )

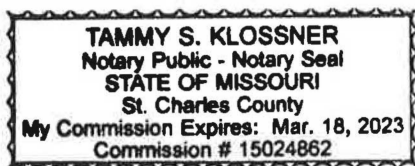
**Affidavit of Jessica A. York**

Jessica A. York, being first duly sworn, on his oath states:

1. My name is Jessica A. York. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Missouri Industrial Energy Consumers in this proceeding on its behalf.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. WR-2020-0344.
3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.

  
\_\_\_\_\_  
Jessica A. York

Subscribed and sworn to before me this 21<sup>th</sup> day of January, 2021.



  
\_\_\_\_\_  
Notary Public





1 **Q WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

2 A The purpose of my rebuttal testimony is to respond to the Commission Staff's proposed  
3 rate design.

4 My silence with regard to any position taken by other parties should not be  
5 construed as tacit approval or agreement with those positions.

6 **II. Staff's Proposed Rate Design**

7 **Q PLEASE DESCRIBE STAFF'S PROPOSED RATE DESIGN.**

8 A As discussed in the direct testimony of Mr. Gateley, Staff recommends the Commission  
9 maintain the current water service rate design approved by the Commission in MAWC's  
10 most recent rate case, Case No. WR-2017-0285.<sup>1</sup> This includes maintaining the two  
11 separate districts approved in the prior case, and maintaining the current Rate A,  
12 Rate B, and Rate J classes as set out in MAWC's currently effective tariff.<sup>2</sup> Presently,  
13 a single-block rate structure is used for all MAWC customers, with the exception of  
14 residential customers in the Mexico Service Area which has inclining rates across three  
15 usage blocks.<sup>3</sup>

16 **Q DID STAFF DESIGN RATES TO RECOVER ITS RECOMMENDED REVENUE  
17 REQUIREMENT?**

18 A Yes. Staff designed rates to produce a water revenue decrease of \$25,832,764, as  
19 recommended in its direct filing.<sup>4</sup> In order to accomplish this, for the St. Louis County  
20 district, Staff significantly reduced MAWC's fixed monthly meter charges, and adjusted

---

<sup>1</sup>Direct testimony of Mr. Gateley at page 2.

<sup>2</sup>Staff's COS report at page 2.

<sup>3</sup>*Id.* at page 7.

<sup>4</sup>Staff's Accounting Schedule 1, sponsored by Amanda C. McMellen.

1 the volumetric rate to recover the remaining revenue requirement allocated to each  
 2 customer class. A comparison of MAWC's current monthly meter charges to Staff's  
 3 proposed monthly meter charges for the St. Louis County district is presented below in  
 4 Table 1.<sup>5</sup>

**TABLE 1**

**Staff Proposed Monthly Meter Charges**  
**St. Louis County**

---

<u>Line</u>	<u>Description</u>	<u>Current</u>	<u>Staff</u>	<u>Staff Proposed</u>	
		<u>Rate<sup>1</sup></u>	<u>Rate<sup>1</sup></u>	<u>Increase / (Decrease)</u>	<u>Amount</u>
		(1)	(2)	(3)	(4)
1	5/8"	\$ 9.00	\$ 9.18	\$ 0.18	2.0%
2	3/4"	12.25	10.01	(2.24)	-18.3%
3	1"	16.58	11.45	(5.13)	-30.9%
4	1-1/2"	27.42	17.25	(10.17)	-37.1%
5	2"	40.43	20.37	(20.06)	-49.6%
6	3"	71.10	62.49	(8.61)	-12.1%
7	4"	114.11	91.34	(22.77)	-20.0%
8	6"	222.47	146.97	(75.50)	-33.9%
9	8"	379.54	331.19	(48.35)	-12.7%
10	10"	637.71	425.14	(212.57)	-33.3%
11	12"	765.25	624.45	(140.80)	-18.4%

Source

<sup>1</sup> CCOS Schedule 2 of Staff's Report on Class Cost of Service and Rate Design.

5 **Q DO YOU AGREE WITH STAFF'S PROPOSED RATE DESIGN?**

6 A No. MAWC stated that 94% of its total cost of providing service is fixed, yet only 23%  
 7 of MAWC's proposed revenue requirement would be recovered through fixed charges.<sup>6</sup>

<sup>5</sup>As noted in Staff's response to MAWC's Data Request No. 0340, Staff will likely modify its proposed rate design such that: (1) meter charges are the same for customers inside and outside of St. Louis County; and (2) quarterly meter charges are equal to three times the monthly meter charges.

<sup>6</sup>MAWC's response to Data Request No. MIEC 2-012.

1 Reducing monthly fixed charges would create an even greater misalignment between  
2 rates and the nature of the underlying costs they should recover.

3 **Q WHAT IS YOUR RECOMMENDATION WITH RESPECT TO MONTHLY METER**  
4 **CHARGES?**

5 A Regardless of any change in revenue requirement the Commission might approve in  
6 this case, the fixed monthly meter charges should not be decreased from their current  
7 levels, which were approved by the Commission in the last rate case. Furthermore,  
8 maintaining or increasing fixed monthly meter charges would minimize MAWC's  
9 claimed need for a Revenue Stabilization Mechanism ("RSM").

10 **Q ARE YOU PROPOSING AN ALTERNATIVE RATE DESIGN?**

11 A Not at this time. There are some outstanding issues that need to be addressed before  
12 an alternative rate design can be developed. First, MIEC and Staff are aligned in  
13 support of the continuation of Rate J. However, Staff (and OPC) has been silent with  
14 respect to MAWC's proposed Rate L. Second, so far no party has produced a class  
15 cost of service study ("COSS") that includes both Rate J and MAWC's proposed Rate L  
16 as separate customer classes. Without a comprehensive COSS, it is impossible to  
17 determine an appropriate revenue spread and rate design for all customer classes.

18 **Q DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

19 A Yes, it does.

406687

Jessica A. York  
Page 4