

FILED³

MAY 25 2000

**Missouri Public
Service Commission**

Exhibit No.:

Issues:

Witness:

Type of Exhibit:

Sponsoring Party:

Case No.:

Prudence, Plant in Service

Merciel

Surrebuttal Testimony

MO PSC Staff

WR-2000-281

SR-2000-282

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

of

JAMES A. MERCIEL, JR.

Missouri-American Water Company

CASE NOS. WR-2000-281 and SR-2000-282

Jefferson City, Missouri
May 25, 2000

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **JAMES A. MERCIEL, JR.**

4 **Case Nos. WR-2000-281 and SR-2000-282**

5 **Missouri-American Water Company**

6
7
8 Q. Please state your name and business address.

9 A. James A. Merciel, Jr., P. O. Box 360, Jefferson City,
10 Missouri, 65102.

11 Q. Are you the same James A. Merciel, Jr. who submitted direct
12 testimony and rebuttal testimony in this case?

13 A. Yes, I am.

14 Q. What is the purpose of your surrebuttal testimony?

15 A. The purpose of this surrebuttal testimony is to correct an
16 error that I made in my rebuttal testimony, and to provide an update
17 on the Missouri American Water Company's (Company's) progress of
18 completing construction of the St. Joseph water treatment facility.

19 Q. What is the error that was made in your rebuttal testimony?

20 A. The error was in my comments with regard to direct
21 testimony filed by the Office of the Public Counsel witness Mr. Ted L.
22 Biddy. On page 2 at lines 9 and 10 of my rebuttal testimony, I stated
23 my disagreement with Mr. Biddy's concept of relying on an evaluation
24 that was prepared in 1991, prior to the 1993 Missouri River flood, to
25 estimate the cost of upgrading the old plant. Then on page 3 at lines

1 20 through 24, I discussed concerns about the location of existing
2 pump facilities with respect to flood water elevation. What I failed
3 to recognize in my testimony was that Mr. Bidy did include, in his
4 direct testimony, an estimate of the cost to replace the river intake
5 structure and low service pumps. "Low service" refers to pumping
6 water from the river to the head of the treatment facility.

7 Q. Does Mr. Bidy's inclusion of an intake and low service
8 pumps in his estimate eliminate your concern about the locations of
9 existing pumps?

10 A. Partially. Although Mr. Bidy did address low service
11 pumps, he did not address the issue of the location of high service
12 pumps, which pump water that has been treated at the facility to the
13 distribution system. At the old plant, the high service pumps were
14 located in the same building as the low service pumps, all of which
15 were damaged by floodwater during the 1993 flood.

16 Q. Does your correction change your conclusion regarding Mr.
17 Bidy's testimony?

18 A. No. My conclusion is still the same, that Mr. Bidy did not
19 properly compare all costs associated with construction of a facility
20 at the old plant site with the costs of the new facility.

21 Q. What is the updated status of construction of the new plant
22 in St. Joseph?

23 A. I revisited what I refer to as the "New Plant" on May 22,
24 2000, approximately one month after my previous visit as reported in

Surrebuttal Testimony of James A. Merciel, Jr.
Case Nos. WR-2000-281 and SR-2000-282

1 rebuttal testimony. The ammonia feed, which was not in service at
2 the date of my last visit, is now on line and working. In addition,
3 the Company is trial testing a phosphate solution to sequester,
4 meaning to reduce, the effects of water hardness. Some effects
5 include film on the surface of coffee and tea, and calcium scaling in
6 coffee makers, water heaters, ice machines, and other water using
7 devices. This same process is being utilized in the Company's
8 Warrensburg service area where there were complaints pertaining to the
9 effects of hardness. Other items at the plant pertaining to building
10 and grounds are not yet finished but are progressing.

11 Q. Does this conclude your surrebuttal testimony?

12 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water)
Company's Tariff Sheets Designed to)
Implement General Rate Increases for) Case No. WR-2000-281
Water and Sewer Service Provided to) Case No. SR-2000-282
Customers in the Missouri Service Area of)
the Company.)


AFFIDAVIT OF JAMES A. MERCIEL, JR.

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James A. Merciel, Jr., of lawful age, on his oath states: that he has participated in the preparation of the foregoing Surrebuttal Testimony, in question and answer form, consisting of 3 pages, to be presented in the above case; that he has knowledge of the matters set forth in such answers; and that such answers are true to the best of his knowledge and belief.


James A. Merciel, Jr.

Subscribed and sworn to before me this 23rd day of May 2000.


Notary Public

My commission expires

Joyce C. Neuner
Notary Public, State of Missouri
County of Osage
My Commission Exp. 06/18/2001