

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

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

Case No. WR-2011-0337

**SURREBUTTAL TESTIMONY OF ALAN RATERMANN**

**STATE OF MISSOURI** )

) ss

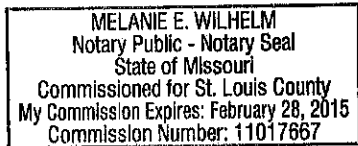
**COUNTY OF ST. LOUIS** )

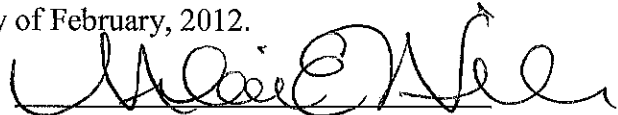
Alan Ratermann, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, that the answers in the following Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



Alan Ratermann

Subscribed and sworn to before me this 2nd day of February, 2012.





Notary Public

My commission expires \_\_\_\_\_

Surrebuttal Testimony of Alan Ratermann  
Submitted on Behalf of UWUA Local 335  
Case No. WR-2011-0337

1 **Please identify yourself and your job title.**

2 My name is Alan Ratermann. I am the Vice President of Utility Workers Union of  
3 America, Local 335 (“UWUA Local 335”).

4 **Are you the same Alan Ratermann who previously filed direct testimony in this matter?**

5 Yes.

6 **What is the purpose of your surrebuttal testimony?**

7 The purpose of my surrebuttal testimony is to respond to the rebuttal testimony filed by  
8 Greg A. Weeks on behalf of Missouri-American Water Company (“MAWC”) and James A.  
9 Merciel, Jr. on behalf of the Missouri Public Service Commission Staff (“Staff”) with regard to  
10 the issues of the unfilled job positions and MAWC’s valve maintenance program.

11 **Do you have any response to Mr. Weeks with regard to the unfilled job positions?**

12 Nothing in Mr. Weeks’ testimony addresses the issue of new unfilled positions created by  
13 the retirement of bargaining unit members. As addressed in my direct testimony, there are a  
14 significant number of individuals in the St. Louis bargaining unit who are currently eligible for  
15 retirement or will be eligible for retirement in the near future. Hiring new employees is  
16 important so that MAWC does not suffer a “skills gap” upon the retirement of several  
17 experienced workers. Therefore, even assuming that Mr. Weeks’ assertion that MAWC can  
18 operate effectively with the current number of vacancies is correct, this conclusion fails to  
19 consider the effects of future attrition due to retirement.

20

21

1 **Do you agree with Mr. Weeks' defense of MAWC's current valve maintenance practices?**

2 No. Mr. Weeks estimates that the bulk of valve exercises occur as a result of main breaks  
3 and main replacement. A water valve is used in the event of a main break to limit the number of  
4 customers who lose water service. If MAWC waits until a break to determine whether a valve is  
5 functional, the entire purpose of performing preventative maintenance is defeated.

6 Moreover, Mr. Weeks notes that if MAWC is required to implement the "Valve  
7 Operation, Inspection, and Maintenance Practice" (the "Practice"), it may incur "additional  
8 maintenance and capital costs from repairing or replacing valves that were damaged during the  
9 operation of them." Again, the point of a valve maintenance program is to identify problematic  
10 valves prior to the point when they are required to be used. It is better to discover and replace a  
11 defective valve through a scheduled exercise than to wait and discover the defect after a main  
12 break. This point is particularly salient because MAWC's troubleshooters have informed it that  
13 several valves on larger mains (over 12") currently require maintenance.

14 **Do you agree with Mr. Weeks' assertion that the size of the St. Louis system makes**  
15 **implementing the Practice impractical?**

16 No. Mr. Weeks testified that St. Louis is American Water's largest system and as such,  
17 implementing the Practice there will incur significant costs. While implementing a  
18 comprehensive valve exercise program will certainly entail some costs, the Practice itself  
19 identifies several efficiencies created by such a program. These efficiencies include minimizing  
20 the risk of property loss and damage, reducing the cost of repairs and installations, and providing  
21 a faster response to emergencies. Nothing in Mr. Weeks' testimony indicates that the costs  
22 associated with implementing a valve maintenance program outweigh the resulting benefits.

1           While implementing the Practice on a system as large as St. Louis may seem daunting,  
2 the Practice specifically contemplates steps to be taken where no preexisting valve maintenance  
3 program is in effect. See Exhibit 6 to my direct testimony at p. 2 of 10. Moreover, Frank  
4 Kartmann, the President of MAWC, was the “sponsor” of the practice. It seems highly unlikely  
5 that Mr. Kartmann would have designed a program that was somehow incompatible with the  
6 largest water system within his jurisdiction.

7 **Do you have any response to Mr. Merciel with regard to the valve maintenance program?**

8           Yes. While Mr. Merciel admits the benefits of a comprehensive valve maintenance  
9 program, he does not recommend that the Commission adopt any specific order concerning valve  
10 maintenance. While I agree that there is no current rule concerning valve maintenance, if  
11 American Water chooses to hold its subsidiaries to a higher standard, these standards should be  
12 considered by the Commission. Indeed, the Tennessee Regulatory Authority has required that  
13 Tennessee American Water submit to semi-annual reporting on its valve maintenance program.

14 **Does that conclude your surrebuttal testimony?**

15           Yes.