

Exhibit No.:
Issues: Miscellaneous Charges
Witness: Curtis B. Gateley
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: WR-2015-0301
Date Testimony Prepared: February 19, 2016

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

REBUTTAL TESTIMONY

OF

CURTIS B. GATELEY

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2015-0301

*Jefferson City, Missouri
February 2016*

Staff EX 20

Staff Exhibit No. 20
Date 3-21-16 Reporter TR
File No. WR-2015-0301

1 REBUTTAL TESTIMONY

2 OF

3 CURTIS B. GATELEY

4 MISSOURI-AMERICAN WATER COMPANY

5 CASE NO. WR-2015-0301

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12 Q. Please state your name and business address.

13 A. Curtis B. Gateley, P.O. Box 360, Jefferson City, Missouri, 65102.

14 Q. Are you the same Curtis B. Gateley who prepared the Class Cost of Service
15 Study filed in Case No. WR-2015-0301?

16 A. Yes I am.

17 Q. What is the purpose of your Rebuttal Testimony?

18 A. The purpose of my Rebuttal Testimony is to rebut the portion of the Direct
19 Testimony of Missouri-American Water Company (MAWC) witness Phillip C. Wood dealing
20 with Miscellaneous Charges.

21 Q. What are Miscellaneous Charges?

22 A. Miscellaneous Charges are designed to recover the costs to the company
23 associated with performing the services listed, such as testing the accuracy of the water meter.
24 In the proposed tariff sheets MAWC also refers to these charges as "Service Charges".

25 Q. Does Staff support MAWC's proposed Miscellaneous Charges, which are also
26 referred to as Service Charges, as shown in proposed consolidated water tariff No. 13, sheet
27 Nos. RT 9.1-9.9, submitted by the company and discussed by Mr. Wood?

28 A. Staff does not support the Miscellaneous Charges in the water tariff, based on
29 information received in MAWC's response to Data Request 0234.

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1 Q. What information did you request in Data Request 0234?

2 A. Data Request 0234 asked MAWC to provide the actual costs for MAWC or its
3 contractors to perform the services related to the Miscellaneous Charges.

4 Q. What information did MAWC provide in its response?

5 A. MAWC provided a cost of service study for the services associated with the
6 Miscellaneous Charges.

7 Q. Did MAWC's cost of service study show that the proposed Miscellaneous
8 Charges are in line with the cost to perform those services?

9 A. No, it does not show that costs are in line with proposed charges. Some of the
10 proposed Miscellaneous Charges are below the costs to perform the associated service; some
11 are much higher than the cost to perform the service.

12 Q. Do you have an alternative proposal?

13 A. Yes. The Miscellaneous Charges that are common to all service territories
14 should be consolidated onto one page and adjusted to reflect the actual cost of service. The
15 charges unique to a particular service territory should remain separated.

16 Q. What would the new Miscellaneous Charges be?

17 A. For the water tariff, the new Miscellaneous Charges would be:

18	Service Activation (Turn On), normal business hours	\$28
19	Service Activation (Turn On), outside of normal business hours	\$40
20	Service Discontinuance (Turn Off), normal business hours	\$28
21	Service Discontinuance (Turn Off), outside of normal business hours	\$40
22	Service Restoration, after an existing customer was disconnected for	
23	reason of nonpayment, which required the Company to excavate and	
24	install a meter or valve	Actual Cost
25	Meter Testing (accuracy of the meter)	\$39
26	Meter Reading	\$53
27	Late Payment	\$5 or 3%
28		of the balance, whichever is greater
29	Returned Check/Bad Check/Returned deposit	\$5

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1	Hydrant Inspection	\$15
2	Temporary Water Use from Hydrant	\$15/day
3	Investigative Report	\$55
4	Service Line Inspection	\$75

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6 Q. Does Staff support MAWC's proposed Miscellaneous Charges, which are also
7 referred to as Service Charges, as shown in proposed consolidated sewer tariff No. 21, sheet
8 Nos. 5D-5F, submitted by the company and discussed by Mr. Wood?

9 A. Yes, Staff does support the tariff, with the condition that the "Returned Check"
10 charge be revised consistent with the cost of service study mentioned above.

11 Q. What about other charges, such as Connection Charges and Capacity Charges?

12 A. These charges are specific to particular facilities, designed to offset unique
13 capital costs associated with those facilities. MAWC proposed no changes to the charges
14 previously approved by the Commission, and I do not have information to suggest they
15 should be changed.

16 Q. Are there other concerns you have with the tariff sheets referenced above?

17 A. Yes. The Miscellaneous Charges for the various water service territories
18 appear on eight different pages in the tariff proposed by MAWC. Each page utilizes differing
19 and confusing terminology, and based on the service territory names it is difficult to
20 determine which charges apply to which customers. Staff and MAWC have informally
21 discussed difficulties of correctly identifying service areas, and customer applicability in the
22 existing consolidated water tariff (MAWC Tariff No. 13). Staff and MAWC are in agreement
23 that service area identification throughout the tariff needs improvement.

24 Q. Does that complete your Rebuttal Testimony?

25 A. Yes, it does.