

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE  
APPENDICES**

**LAKE REGION WATER & SEWER COMPANY**

**CASE NO. SR-2010-0110  
&  
CASE NO. WR-2010-0111**

*Jefferson City, Missouri  
January 2010*

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT**

**COST OF SERVICE**

**APPENDIX 1**

**Staff Credentials**

**LAKE REGION WATER & SEWER COMPANY**

**CASE NO. SR-2010-0110**

**&**

**CASE NO. WR-2010-0111**

*Jefferson City, Missouri  
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# **APPENDIX 1**

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## **SHANA ATKINSON**

### **Educational and Employment Background and Credentials**

I am currently employed as a Utility Regulatory Auditor I for the Missouri Public Service Commission (Commission). I accepted the position of Utility Regulatory Auditor I in December 2008.

In May 2007, I earned a Bachelor of Science in Accountancy and a Master of Accountancy degree from the University of Missouri-Columbia. My accounting degree required an understanding of financial concepts, including the cost of capital.

I sponsored the Rate of Return section of the Cost of Service Report in the Empire District Gas rate case, Case No. GR-2009-0434. I assisted with the preparation of schedules in the Missouri Gas Energy rate case, Case No. GR-2009-0355. I sponsored recommendations in two finance cases, Case Nos. GF-2009-0331 and EF-2009-0266. I have developed rate of return recommendations for numerous small water and sewer rate cases and have assisted as needed in small water and sewer certificate cases.

# **CARY G. FEATHERSTONE**

## **Education and Employment Background and Credentials**

I graduated from the University of Missouri-Kansas City in December 1978 with a Bachelor of Arts degree in Economics. My course work included study in the field of Accounting and Auditing.

Currently, I am a Utility Regulatory Auditor with the Missouri Public Service Commission (Commission). I have assisted, conducted, and supervised audits and examinations of the books and records of public utility companies operating within the state of Missouri. I have participated in examinations of electric, industrial steam, natural gas, water, sewer and telecommunication companies. I have been involved in cases concerning proposed rate increases, earnings investigations, complaint cases, and cases relating to mergers and acquisitions and certification cases. Schedule 1 to this testimony is a list of rate cases in which I have submitted testimony. In addition, I also identify in Schedule 1 other cases where I directly supervised and assisted Commission Staff in audits of public utilities, but where I did not testify.

I have acquired knowledge of the ratemaking and regulatory process through my employment with the Commission. I have participated in numerous rate cases, complaint cases, merger cases and certificate cases, and filed testimony on a variety of topics. I have also acquired knowledge of these topics through review of work papers from prior rate cases filed before this Commission relating to Lake Region and its water and sewer operations. I have previously examined the operations of other water and sewer companies. I have also been involved in numerous other rate cases and merger cases involving electric, natural gas, steam and telecommunication companies. I have previously examined generation and generation-related topics; conducted and participated in several construction audits involving plant and construction records, specifically the costs of construction projects relating to power plants. I have been involved in the fuel and fuel-related areas for power plant production, and purchased power and off-system sales on numerous occasions.

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1980	Case No. ER-80-53	St. Joseph Light & Power Company (electric rate increase)	Direct	Stipulated
1980	Case No. OR-80-54	St. Joseph Light & Power Company (transit rate increase)	Direct	Stipulated
1980	Case No. HR-80-55	St. Joseph Light & Power Company (industrial steam rate increase)	Direct	Stipulated
1980	Case No. GR-80-173	The Gas Service Company (natural gas rate increase)	Direct	Stipulated
1980	Case No. GR-80-249  Coordinated	Rich Hill-Hume Gas Company (natural gas rate increase)	No Testimony filed- revenues & rate base	Stipulated
1980	Case No. TR-80-235	United Telephone Company of Missouri (telephone rate increase)	Direct- construction work in progress Rebuttal	Contested
1981	Case No. ER-81-42	Kansas City Power & Light Company (electric rate increase)	Direct-payroll & payroll related benefits; cash working capital Rebuttal	Contested
1981	Case No. TR-81-208	Southwestern Bell Telephone Company (telephone rate increase)	Direct-cash working capital; construction work in progress; income taxes-flow- through Rebuttal Surrebuttal	Contested
1981	Case No. TR-81-302	United Telephone Company of Missouri (telephone rate increase)	Direct- construction work in progress	Stipulated
1981	Case No. TO-82-3	Investigation of Equal Life Group and Remaining Life Depreciation Rates (telephone-- depreciation case)	Direct- construction work in progress	Contested

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1982	Case Nos. ER-82-66 and HR-82-67	Kansas City Power & Light Company (electric & district steam heating rate increase)	Direct- fuel & purchased power; fuel inventories Rebuttal Surrebuttal	Contested
1982	Case No. TR-82-199	Southwestern Bell Telephone Company (telephone rate increase)	Direct- revenues & directory advertising	Contested
1983	Case No. EO-83-9	Investigation and Audit of Forecasted Fuel Expense of Kansas City Power & Light Company (electric-- forecasted fuel true-up)	Direct	Contested
1983	Case No. ER-83-49	Kansas City Power & Light Company (electric rate increase)	Direct- fuel & fuel inventories Rebuttal Surrebuttal	Contested
1983	Case No. TR-83-253	Southwestern Bell Telephone Company (telephone rate increase - ATT Divestiture Case)	Direct- revenues & directory advertising	Contested
1984	Case No. EO-84-4	Investigation and Audit of Forecasted Fuel Expense of Kansas City Power & Light Company (electric-- forecasted fuel true-up)	Direct	Contested
1985	Case Nos. ER-85-128 and EO-85-185  Coordinated	Kansas City Power & Light Company (electric rate increase- Wolf Creek Nuclear Generating Unit Case)	Direct- fuel inventories; coordinated construction audit	Contested
1987	Case No. HO-86-139  Coordinated	Kansas City Power & Light Company (district steam heating-- discontinuance of public utility and rate increase)	Direct- policy testimony on abandonment of steam service Rebuttal Surrebuttal	Contested

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1988	Case No. TC-89-14 Coordinated Directory	Southwestern Bell Telephone Company (telephone-- rate complaint case)	Direct- directory advertising Surrebuttal	Contested
1989	Case No. TR-89-182	GTE North, Incorporated (telephone rate increase)	Direct- directory advertising Rebuttal Surrebuttal	Contested
1990	Case No. GR-90-50 Coordinated	Kansas Power & Light - Gas Service Division (natural gas rate increase)	Direct- prudency review of natural gas explosions	Stipulated
1990	Case No. ER-90-101 Coordinated	UtiliCorp United Inc., Missouri Public Service Division (electric rate increase- Sibley Generating Station Life Extension Case)	Direct- Corporate Costs and Merger & Acquisition Costs Surrebuttal	Contested
1990	Case No. GR-90-198 Coordinated	UtiliCorp United, Inc., Missouri Public Service Division (natural gas rate increase)	Direct- Corporate Costs and Merger & Acquisition Costs	Stipulated
1990	Case No. GR-90-152	Associated Natural Gas Company (natural gas rate increase)	Rebuttal- acquisition adjustment; merger costs/savings	Stipulated
1991	Case No. EM-91-213	Kansas Power & Light - Gas Service Division (natural gas-- acquisition/merger case)	Rebuttal- acquisition adjustment; merger costs/savings tracking	Contested
1991	Case Nos. EO-91-358 and EO-91-360  Coordinated	UtiliCorp United Inc., Missouri Public Service Division (electric-- accounting authority orders)	Rebuttal- plant construction cost deferral recovery; purchased power cost recovery deferral	Contested



# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1991	Case No. GO-91-359  Coordinated	UtiliCorp United Inc., Missouri Public Service Division (natural gas-- accounting authority order)	Memorandum Recommendation- Service Line Replacement Program cost recovery deferral	Stipulated
1993	Case Nos. TC-93-224 and TO-93-192  Coordinated Directory	Southwestern Bell Telephone Company (telephone-- rate complaint case)	Direct- directory advertising Rebuttal Surrebuttal	Contested
1993	Case No. TR-93-181	United Telephone Company of Missouri (telephone rate increase)	Direct- directory advertising Surrebuttal	Contested
1993	Case No. GM-94-40	Western Resources, Inc. and Southern Union Company (natural gas-- sale of Missouri property)	Rebuttal- acquisition adjustment; merger costs/savings tracking	Stipulated
1994	Case No. GM-94-252  Coordinated	UtiliCorp United Inc., acquisition of Missouri Gas Company and Missouri Pipeline Company (natural gas--acquisition case)	Rebuttal- acquisition of assets case	Contested
1994	Case No. GA-94-325  Coordinated	UtiliCorp United Inc., expansion of natural gas to City of Rolla, MO (natural gas-- certificate case)	Rebuttal- natural gas expansion	Contested
1995	Case No. GR-95-160  Coordinated	United Cities Gas Company (natural gas rate increase)	Direct- affiliated transactions; plant	Contested

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1995	Case No. ER-95-279 Coordinated	Empire District Electric Company (electric rate increase)	Direct- fuel & purchased power; fuel inventories	Stipulated
1996	Case No. GA-96-130	UtiliCorp United, Inc./Missouri Pipeline Company (natural gas-- certificate case)	Rebuttal- natural gas expansion	Contested
1996	Case No. EM-96-149 Coordinated	Union Electric Company merger with CIPSCO Incorporated (electric and natural gas-- acquisition/merger case)	Rebuttal- acquisition adjustment; merger costs/savings	Stipulated
1996	Case No. GR-96-285 Coordinated	Missouri Gas Energy Division of Southern Union Company (natural gas rate increase)	Direct- merger savings recovery; property taxes Rebuttal Surrebuttal	Contested
1996	Case No. ER-97-82	Empire District Electric Company (electric-- interim rate increase case)	Rebuttal- fuel & purchased power	Contested
1997	Case No. GA-97-132	UtiliCorp United Inc./Missouri Public Service Company (natural gas—certificate case)	Rebuttal- natural gas expansion	Contested
1997	Case No. GA-97-133	Missouri Gas Company (natural gas—certificate case)	Rebuttal- natural gas expansion	Contested
1997	Case Nos. EC-97-362 and EO-97-144	UtiliCorp United Inc./Missouri Public Service (electric rate complaint case)	Direct- - fuel & purchased power; fuel inventories Verified Statement	Contested Commission Denied Motion
1997	Case Nos. ER-97-394 and EC-98-126 Coordinated	UtiliCorp United Inc./Missouri Public Service (electric rate increase and rate complaint case)	Direct- fuel & purchased power; fuel inventories; re- organizational costs Rebuttal Surrebuttal	Contested

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1997	Case No. EM-97-395	UtiliCorp United Inc./Missouri Public Service (electric-application to spin-off generating assets to EWG subsidiary)	Rebuttal- plant assets & purchased power agreements	Withdrawn
1998	Case No. GR-98-140  Coordinated	Missouri Gas Energy Division of Southern Union Company (natural gas rate increase)	Testimony in Support of Stipulation And Agreement	Contested
1999	Case No. EM-97-515  Coordinated	Kansas City Power & Light Company merger with Western Resources, Inc. (electric acquisition/ merger case)	Rebuttal- acquisition adjustment; merger costs/savings tracking	Stipulated (Merger eventually terminated)
2000	Case No. EM-2000-292  Coordinated	UtiliCorp United Inc. merger with St. Joseph Light & Power Company (electric, natural gas and industrial steam acquisition/ merger case)	Rebuttal- acquisition adjustment; merger costs/savings tracking	Contested (Merger closed)
2000	Case No. EM-2000-369  Coordinated	UtiliCorp United Inc. merger with Empire District Electric Company (electric acquisition/ merger case)	Rebuttal- acquisition adjustment; merger costs/savings tracking	Contested (Merger eventually terminated)
2001	Case No. ER-2001-299  Coordinated	Empire District Electric Company (electric rate increase)	Direct- income taxes; cost of removal; plant construction costs; fuel- interim energy charge Surrebuttal True-Up Direct	Contested

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2001	Case Nos. ER-2001-672 and EC-2002-265  Coordinated	UtiliCorp United Inc./Missouri Public Service Company (electric rate increase)	Verified Statement Direct- capacity purchased power agreement; plant recovery Rebuttal Surrebuttal	Stipulated
2002	Case No. ER-2002-424  Coordinated	Empire District Electric Company (electric rate increase)	Direct- fuel-interim energy charge Surrebuttal	Stipulated
2003	Case Nos. ER-2004-0034 and HR-2004-0024 (Consolidated)  Coordinated	Aquila, Inc., (formerly UtiliCorp United Inc) d/b/a Aquila Networks-MPS and Aquila Networks-L&P (electric & industrial steam rate increases)	Direct- acquisition adjustment; merger savings tracking Rebuttal Surrebuttal	Stipulated
2004	Case No. GR-2004-0072  Coordinated	Aquila, Inc., d/b/a Aquila Networks-MPS and Aquila Networks-L&P (natural gas rate increase)	Direct- acquisition adjustment; merger savings tracking  Rebuttal	Stipulated
2005	Case No. HC-2005- 0331  Coordinated	Trigen Kansas City Energy [Jackson County Complaint relocation of plant for Sprint Arena] (steam complaint case)	Cross examination- relocation of plant assets	Contested
2005	Case No. EO-2005-0156  Coordinated	Aquila, Inc., d/b/a Aquila Networks- MPS (electric- South Harper Generating Station asset valuation case)	Rebuttal- plant valuation Surrebuttal	Stipulated

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2005	Case No. ER-2005-0436  Coordinated	Aquila, Inc., d/b/a Aquila Networks- MPS and Aquila Networks- L&P (electric rate increase)	Direct- interim energy charge; fuel; plant construction; capacity planning Rebuttal Surrebuttal	Stipulated
2005	Case No. HR-2005-0450  Coordinated	Aquila, Inc., d/b/a Aquila Networks- L&P (industrial steam rate increase)	Direct	Stipulated
2006	Case No. ER-2006-0314  Coordinated	Kansas City Power & Light Company (electric rate increase)	Direct-construction audits Rebuttal- allocations Surrebuttal- allocations	Contested
2006	Case No. WR-2006-0425  Coordinated	Algonquin Water Resources (water & sewer rate increases)	Rebuttal- unrecorded plant; contributions in aid of construction Surrebuttal unrecorded plant; contributions in aid of construction	Contested
2007	Case No. ER-2007-0004  Coordinated	Aquila, Inc., d/b/a Aquila Networks- MPS and Aquila Networks- L&P (electric rate increase)	Direct-fuel clause, fuel, capacity planning Rebuttal Surrebuttal	Contested
2007	Case No. HO-2007-0419  Coordinated	Trigen Kansas City Energy [sale of coal purchase contract] (steam)	Recommendation Memorandum	Stipulated

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2007	Case Nos. HR-2007-0028, HR-2007-0399 and HR-2008-0340	Aquila, Inc., d/b/a Aquila Networks- L&P [Industrial Steam Fuel Clause Review] (industrial steam fuel clause review)		Pending
2008	Case No. HR-2008-0300  Coordinated	Trigen Kansas City Energy (steam rate increase)	Direct - sponsor Utility Services portion of the Cost of Service Report, overview of rate case, plant review and plant additions, fuel and income taxes	Stipulated
2009	Case No. ER-2009-089	Kansas City Power & Light Company (electric rate increase)	Direct- sponsor Utility Services Cost of Service Report, Additional Amortizations and Iatan 1 construction Rebuttal- allocations Surrebuttal- allocations	Stipulated
2009	Case No. ER-2009-090	KCPL Greater Missouri Operations Company (former Aquila, Inc. Missouri electric properties) (electric rate increase)	Direct- sponsor Utility Services Cost of Service Report Surrebuttal- capacity planning	Stipulated
2009	Case No. HR-2009-092	KCPL Greater Missouri Operations Company (former Aquila, Inc. Missouri electric properties) (industrial steam rate increase)	Direct- sponsor Utility Services Cost of Service Report	Stipulated

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

### CASES SUPERVISED AND ASSISTED:

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony</u>	<u>Case Disposition</u>
1986	Case No. TR-86-14 Coordinated	ALLTEL Missouri, Inc. (telephone rate increase)		Stipulated
1986	Case No. TR-86-55 Coordinated	Continental Telephone Company of Missouri (telephone rate increase)		Stipulated
1986	Case No. TR-86-55 Coordinated	Continental Telephone Company of Missouri (telephone rate increase)		Stipulated
1986	Case No. TR-86-63 Coordinated	Webster County Telephone Company (telephone rate increase)		Stipulated
1986	Case No. GR-86-76 Coordinated	KPL-Gas Service Company (natural gas rate increase)		Withdrawn
1986	Case No. TR-86-117 Coordinated	United Telephone Company of Missouri (telephone rate increase)	Withdrawn prior to filing	Withdrawn
1988	Case No. GR-88-115 Coordinated	St. Joseph Light & Power Company (natural gas rate increase)	Deposition	Stipulated
1988	Case No. HR-88-116	St. Joseph Light & Power Company (industrial steam rate increase)	Deposition	Stipulated

# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony</u>	<u>Case Disposition</u>
1994	Case No. ER-94-194	Empire District Electric Company (electric rate increase)		
2003	QW-2003-016 QS-2003-015	Tandy County (water & sewer informal rate increase)	Recommendation Memorandum	Stipulated
2004	Case No. HM-2004-0618  Coordinated	Trigen- Kansas City Energy purchase by Thermal North America (steam - sale of assets)		Stipulated
2005	Case No. GM-2005-0136  Coordinated	Partnership interest of DTE Enterprises, Inc. and DTE Ozark, Inc in Southern Gas Company purchase by Sendero SMGC LP (natural gas -- sale of assets)	Recommendation Memorandum	Stipulated
2005	Case No. WO-2005-0206  Coordinated	Silverleaf sale to Algonquin (water & sewer- sale of assets)		Stipulated
2006	Case No. WR-2006-0250	Hickory Hills (water & sewer- informal rate increase)	Recommendation Memorandum	Contested
2006	Case No. HA-2006-0294  Coordinated	Trigen Kansas City Energy (steam- expansion of service area)		Contested
2007	SR-2008-0080 QS-2007-0008	Timber Creek (sewer- informal rate increase)	Recommendation Memo	Stipulated



# CARY G. FEATHERSTONE

## SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony</u>	<u>Case Disposition</u>
2008	QW-2008-0003	Spokane Highlands Water Company (water- informal rate increase)	Recommendation Memorandum	Stipulated
2009	WR-2010-0139 SR-2010-0140	Valley Woods Water Company	Recommendation Memorandum	Pending

## **Nila S. Hagemeyer**

### **Educational and Employment Background**

I am employed as a Utility Management Analyst III for the Missouri Public Service Commission (Commission or PSC). I graduated from Columbia College, Columbia, Missouri, in 1998 with the degree of Bachelor of Science in Business Administration with emphases in Management and Marketing. I attended the Western Utility Rate School in San Diego, California in May 2002. I have also attended numerous seminars on utility and auditing issues.

I have been employed by the Commission since 1979 when I joined the General Counsel's Office as a Legal Secretary. In 1991, I began working as a Designated Principal Assistant to a Commissioner and Hearing Examiner (later known as a Regulatory Law Judge). In 1998, I became Manager of the Records Department (now known as the Data Center). In 2001, I was hired as a Utility Management Analyst II in the Engineering and Management Services Department (EMSD) and subsequently promoted in June 2006 to my present position as a Utility Management Analyst III within the same department.

As a Utility Management Analyst, my responsibilities include planning and performing reviews of management operating and control systems at utility companies under the Commission's jurisdiction and reviewing statistics reported by various utility companies. In addition to performing these reviews, I have assisted other EMSD staff in various audits of companies under the Commission's jurisdiction. Please see the attached table for a list of companies in which I have performed or assisted in various reviews.

## Nila S. Hagemeyer

Summary of Company Reviews		
Company Name	Case/Tracking Number	Type of Review
Steelville Telephone Exchange, Inc.		Assisted with Customer Service Operations
Atmos Energy Corporation	GR-2003-0219	Assisted with Customer Service and Gas Supply Operations
Mill Creek Sewers, Inc.	No Number – Report issued 6/17/02	Customer Service Operations
Rogue Creek Utilities, Inc.	WR-2003-0152 & SR-2003-0153 Report issued 8/30/02	Customer Service Operations
AquaSource/CU, Inc.	No Number – Report issued 9/5/02	Customer Service Operations
Laclede Gas Company	No Number – Report issued December 2003	Customer Service and Gas Supply Operations – Meter Reading
Noel Water Company	QW-2003-0022 – Report issued 4/7/03	Customer Service Operations
Timber Creek Sewer Company	QS-2004-0001 – Report issued 9/23/03	Customer Service Operations
Kansas City Power and Light Co.	BISR-2004-0019	Assisted with investigation regarding transfer of 400 employees to service company
Hickory Hills Water & Sewer Co., Inc.	QW-2004-0008 & QS-2004-0009 – Report issued 7/15/04	Customer Service Operations
The Empire District Electric Company	ER-2004-0570	Assisted with Customer Service Operations - Call Center
Aquila, Inc.	No Number – Report issued October 2005	Customer Service Process and Operations – Meter Reading
Evergreen Lake Water Company	QW-2005-0007 – Report issued 7/19/05	Customer Service Operations

## Nila S. Hagemeyer

Summary of Company Reviews		
Company Name	Case/Tracking Number	Type of Review
Hickory Hills Water and Sewer Co., Inc.	QS-2006-0001 and QW-2006-0002 – Report issued 9/30/05	Customer Service Operations
Aquila, Inc.	EO-2006-0356 Report issued 10/31/06	Management Audit – Pensions, OPEBs, Employee Bonus Payments
Gladlo Water and Sewer Co., Inc.	QS-2007-0001 and QW-2007-0002 – Report issued 1/3/07	Customer Service and Business Operations
Timber Creek Sewer Co.	QS-2007-0008 – Report issued 8/16/07	Customer Service and Business Operations
Missouri-American Water Company	Informal complaint regarding main break in Clermont Estates	Investigation into Call Center, Meter Reading, Disconnect Process, and Damage Claims
Missouri Gas Energy	No Number – Report issued July 8, 2008	Customer Service Process and Operations – Meter Reading
Roy-L Utilities, Inc.	QS-2008-0001 and QW-2008-0002 – Report issued 4/15/08 under Case No. WR-2008-0304	Customer Service and Business Operations
The Empire District Electric Company	EO-2008-0215	Ice Storm Investigation – Call Center
Robert Hector v. AmerenUE	EC-2009-0112	Assisted with investigation of formal complaint
Terre Du Lac Utilities Corporation	WR-2009-0218 and SR-2009-0219	Customer Service and Business Operations
Port Perry Service Company, Inc.	SR-2009-0298 and WR-2009-0299	Customer Service and Business Operations
Missouri-American Water Company	WC-2010-0037	Investigation into Sales Tax Omission

## **V. WILLIAM HARRIS, CPA, CIA**

I graduated from Missouri Western State College at St. Joseph, Missouri in 1990, with a Bachelor of Science degree in Business Administration with a major in Accounting. I successfully completed the Uniform Certified Public Accountant (CPA) examination in 1991 and subsequently received the CPA certificate. I am currently licensed as a CPA in the state of Missouri. I also successfully completed the Uniform Certified Internal Auditor (CIA) examination in 1995 and am currently certified as a CIA by the Institute of Internal Auditors in Altamonte Springs, Florida.

From 1991 until I assumed my current position as a Regulatory Auditor with the Commission in 1994, I was employed as a Regulatory Auditor with the Federal Energy Regulatory Commission in Washington, DC. Prior to that, I was an Internal Auditor and Training Supervisor with Volume Shoe Corporation (d/b/a Payless ShoeSource).

Over the 15 plus years I have been employed by this Commission as a Regulatory Auditor, I have submitted testimony on revenue, expense, and rate base ratemaking matters several times before the Commission. I have also been responsible for the supervision of other Commission employees in rate cases and other regulatory proceedings.

I have received continuous training at in-house and outside seminars on technical ratemaking matters since I began my employment with the Commission. My responsibilities of auditing the books and records of the utilities regulated by the Commission require that I review statutes applicable to the Commission or the utilities regulated by the Commission, the Commission's rules, utility tariffs, and contracts and other documents relating to the utilities regulated by the Commission. A listing of the cases in which I have previously filed testimony before this Commission, and the issues I have addressed in testimony in cases from 1995 to the present, is attached as Schedule VWH-1.

## **CASE PROCEEDING PARTICIPATION**

**V. WILLIAM HARRIS, CPA, CIA**

### **Rate Cases**

<b>Date Filed</b>	<b>Case Number</b>	<b>Company Name</b>	<b>Exhibit</b>	<b>Issue</b>
9/1/1995	ER-95-279	Empire District Electric Company	Direct	Payroll, Payroll Taxes, Incentive Pay, 401K Retirement Plan
	GR-96-285	Missouri Gas Energy (Southern Union Company)	Direct	Plant In Service, Depreciation Expense, Depreciation Reserve, Service Line Replacement Program
	GR-96-285	Missouri Gas Energy (Southern Union Company)	Rebuttal	Service Line Replacement Program
	GR-96-285	Missouri Gas Energy (Southern Union Company)	Surrebuttal	Service Line Replacement Program
6/26/1997	GR-97-272	Associated Natural Gas Company and Division of Arkansas Western Gas Company	Direct	Revenues, Plant in Service, Customer Billing Expense, Normalized Bad Debt Expense, Depreciation Expense, Depreciation Reserve
10/8/1998	EC-98-573	St. Joseph Light and Power Company	Direct	Fuel Expense Adjustment, Miscellaneous Administrative and General Expenses, PSC Assessment, Capacity Demand Costs, Rate Case Expense, Fuel Inventory
12/16/1998	EC-98-573	St. Joseph Light and Power Company	Additional Direct	Fuel Expense Adjustment, Fuel Inventory, Insurance and Other Admin. Expenses
5/13/1999	ER-99-247 – EC-98-573	St. Joseph Light & Power Company	Direct	Purchased Power Demand Cost, Fuel Expense, Fuel Inventory, PSC Assessment, Rate Case Expense
5/13/1999	HR-99-245	St. Joseph Light & Power Company	Direct	Steam Revenues
6/10/1999	HR-99-245	St. Joseph Light & Power Company	Rebuttal	Fuel Inventories, Rate Case Expense
6/10/1999	GR-99-246	St. Joseph Light & Power Company	Rebuttal	Rate Case Expense
6/10/1999	ER-99-247 – EC-98-573	St. Joseph Light & Power Company	Rebuttal	Fuel Price, Fuel Inventories, Rate Case Expense
6/22/1999	HR-99-245	St. Joseph Light & Power Company	Surrebuttal	Fuel Inventory, Possible Loss on the Sale of No. 6 Fuel Oil, Rate Case Expense
6/22/1999	GR-99-246	St. Joseph Light & Power Company	Surrebuttal	Rate Case Expense
6/22/1999	ER-99-247 – EC-98-573	St. Joseph Light & Power Company	Surrebuttal	Fuel Price, Fuel Inventories, Possible Loss on the Sale of No. 6 Fuel Oil, Rate Case Expense

## **CASE PROCEEDING PARTICIPATION**

### **V. WILLIAM HARRIS, CPA, CIA**

<b>Date Filed</b>	<b>Case Number</b>	<b>Company Name</b>	<b>Exhibit</b>	<b>Issue</b>
5/2/2000	EM-2000-292	UtiliCorp United Inc. / St. Joseph Light and Power	Rebuttal	Merger Savings
6/21/2000	EM-2000-369	UtiliCorp United Inc. / Empire District Electric Company	Rebuttal	Merger Savings
10/11/2000	EO-2000-845	St. Joseph Light and Power Company	Rebuttal	Accounting Authority Order
10/23/2000	EO-2000-845	St. Joseph Light and Power Company	Revised Rebuttal	Accounting Authority Order
11/30/2000	TT-2001-115	Green Hills Telephone Corporation	Rebuttal	Revenue Requirements
2001	TC-2001-401	Green Hills Telephone Corporation	Direct	Revenue Requirement
4/3/2001	ER-2001-299	The Empire District Electric Company	Direct	Fuel Stock Inventory Levels
4/3/2001	ER-2001-299	The Empire District Electric Company	Direct	Fuel and Purchase Power Expenses
5/17/2001	ER-2001-299	The Empire District Electric Company	Surrebuttal	Fuel and Purchased Power
8/7/2001	ER-2001-299	The Empire District Electric Company	True-up Direct	Fuel and Purchased Power Expense
8/7/2001	ER-2001-299	The Empire District Electric Company	True-up Direct	Allowance for Funds Used During Construction
12/6/2001	ER-2001-672	UtiliCorp United Inc. d/b/a Missouri Public Service	Direct	Purchased Power Expense
1/8/2002	ER-2001-672/ EC-2002-265	UtiliCorp United Inc. d/b/a Missouri Public Service	Rebuttal	Purchase Power Expense, Fuel
1/22/2002	ER-2001-672/ EC-2002-265	UtiliCorp United Inc. d/b/a Missouri Public Service	Surrebuttal	Natural Gas Price
8/16/2002	ER-2002-424	The Empire District Electric Company	Direct	Rate Base, Plant in Service, Depreciation, Income Statement Adjustment, Income Taxes
12/9/2003	ER-2004-0034 HR-2004-0024	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks – L&P	Direct	Purchased Power Analysis, Off-System Interchange Sales, Income Tax Expense
1/6/2004	GR-2004-0072	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks – L&P	Direct	Revenue Annualization, Bad Debt Expense, Income Tax Expense

**CASE PROCEEDING PARTICIPATION****V. WILLIAM HARRIS, CPA, CIA**

<b>Date Filed</b>	<b>Case Number</b>	<b>Company Name</b>	<b>Exhibit</b>	<b>Issue</b>
2/13/2004	GR-2004-0072	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks – L&P	Rebuttal	Bad Debt Expense
3/11/2004	GR-2004-0072	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks – L&P	Surrebuttal	Bad Debt Expense
10/14/2005	ER-2005-0436	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks – L&P	Direct	Purchased Power Analysis, Off-System Interchange Sales, Income Tax Expense
10/14/2005	HR-2005-0450	Aquila, Inc, d/b/a Aquila Networks – L&P	Direct	Income Tax Expense
4/13/2006	HA-2006-0294	Trigen-Kansas City Energy Corporation	Rebuttal	Staff's Position on Expansion
8/8/2006	ER-2006-0314	Kansas City Power and Light	Direct	Incentive Compensation, Supplemental Executive Retirement (SERP), Other Executive Bonuses, Maintenance Expense, Regulatory Expense, Accumulated Deferred Income Taxes – Rate Base Offset
10/6/2006	ER-2006-0314	Kansas City Power and Light	Surrebuttal	Incentive Compensation, Maintenance Expense
1/18/2007	ER-2007-0004	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks – L&P	Direct	Purchased Power Analysis, Off-System Interchange Sales, Incentive Compensation
02/11/09	ER-2009-0089	Great Plains Energy, Inc. - Kansas City Power & Light Company	Direct	Fuel and Purchased Power costs, Fuel Inventories, Off-system Sales
	ER-2009-0090	Great Plains Energy, Inc. – Greater Missouri Operations Company	Direct	Fuel and Purchased Power costs, Fuel Inventories, Off-system Sales
03/11/09	ER-2009-0089	Great Plains Energy, Inc. - Kansas City Power & Light Company	Rebuttal	Off-system Sales Margin
03/13/09	ER-2009-0090	Great Plains Energy, Inc. – Greater Missouri Operations Company	Rebuttal	Off-system Sales Margin



## **CASE PROCEEDING PARTICIPATION**

**V. WILLIAM HARRIS, CPA, CIA**

### **List of Informal Cases Processed Under the Commission Informal Rate Case Procedure**

I was the Lead Auditor on all but U.S. Water/Lexington and Raytown Water.

<u>Company Name</u>	<u>Case No.</u>	<u>Other Auditors</u>
West 16 <sup>th</sup> Street Sewer Company	SR-2008-0389	Bret Prenger
WPC Sewer Company	SR-2008-0388	Bret Prenger
Spokane Highlands Water Company	WR-2008-0314	Karen Herrington Keith Majors
Timber Creek Sewer Company	SR-2008-0080	Graham Vesely (left) (then) Phil Williams
Timber Creek Sewer Company	SR-2004-0532	None
Taney County Utilities	WR-96-418 SR-96-418	David Mansfield David Mansfield
Ozark Mountain Water Company	WR-96-237	None
Hickory Hills Water and Sewer Co.	WR-95-432 SR-95-432	Robert O'Keefe Brett Peter
Raytown Water Company	WR-92-85	Phil Williams (Lead)
U.S. Water / Lexington	WR999	Phil Williams (Lead)

## **CASE PROCEEDING PARTICIPATION**

### **V. WILLIAM HARRIS, CPA, CIA**

#### **Other Non-Rate Case Assignments**

List of assigned cases in which I had primary responsibility for the Auditing Department scope of work, but for which testimony was not required. (NOTE: Cass County Telephone Company Case Nos. TO-2005-0237 and TC-2005-0357 were completed by several Staff auditors, including me.)

<b><u>Company Name</u></b>	<b><u>Case No.</u></b>	<b><u>Docket / Case Type</u></b>
Savannah Heights Industrial Treatment	SO-2008-0094	Sale
Aquila, Inc.	EO-2006-0309	Certificate
Missouri Gas Energy	GO-2006-0201	ISRS
Aquila, Inc.	EO-2006-0036	Sale
Missouri Gas Energy	GO-2005-0273	ISRS
Kansas City Power & Light	EO-2005-0270	Sale
Cass County Telephone Company	TC-2005-0357	Complaint
Cass County Telephone Company	TO-2005-0237	Investigation
Sendero SMGC	GM- 2005-0136	Acquisition
Missouri Gas Energy	GA-2005-0107	Certificate
Missouri Gas Energy	GA-2005-0053	Certificate
Missouri Gas Energy	GO-2005-0019	Acquisition
Trigen-Kansas City Energy Corp.	HM-2004-0618	Sale
Atmos Energy Corporation	GM-2004-0607	Acquisition
Emerald Pointe Utility Company	WA-2004-0582	Certificate
Emerald Pointe Utility Company	WA-2004-0581	Certificate
DOD-CO Enterprise / Shell Rock	WM-2004-0449	Sale (Water & Sewer)
Missouri Gas Energy	GA-2003-0492	Certificate
Wilden Heights Water Company	WO-2003-0086	Sale
Aquila, Inc.	EM-2003-0091	Sale
Missouri Public Service Company	EM-99-551	Sale
Savannah Heights Industrial Treatment	SA-98-294	Certificate
Kansas City Power & Light Co.	EM-97-305	Sale
Oregon Farmer's Mutual Telephone	TO-00-049	Investigation

**Educational and Employment Background and Credentials**  
**of**  
**Karen K. Herrington**

I am currently employed as a Utility Regulatory Auditor III for the Missouri Public Service Commission (Commission). I was employed by the Commission in April 2007. Previously, I was employed by AT&T as a Regulatory Complaint Manager from December 1999 to February 2007. In that capacity I was responsible for addressing consumer and business complaints filed with various state and federal regulatory agencies. I earned a Bachelor of Science degree in Management Accounting and a Masters in Business Administration from Park University.

As a Utility Regulatory Auditor, III perform rate audits and prepare miscellaneous filings as ordered by the Commission. In addition, I review all exhibits and testimony on assigned issues, develop accounting adjustments and issue positions which are supported by workpapers and written testimony. For cases that do not require prepared testimony, I prepare Staff Recommendation Memorandums.

Cases I have been assigned are shown in the following table:

<b>Case/Tracking Number</b>	<b>Company Name - Issue</b>
QW-2008-0003	Spokane Highlands Water Company
GO-2008-0113	Missouri Gas Energy - Infrastructure Service Replacement Surcharge (ISRS).
ER-2008-0089	Kansas City Power and Light
ER-2008-0090 and HR-2008-0092	Kansas City Power and Light, Greater Missouri Operations
GR-2009-0355	Missouri Gas Energy

## **Bret G. Prenger**

### **Education and Employment Background and Credentials**

I am currently employed as a Utility Regulatory Auditor II for the Missouri Public Service Commission (Commission). I began my employment with the Commission on June 2<sup>nd</sup>, 2008. I earned a Bachelor of Science in Accounting from Missouri State University, in Springfield, MO in May 2008. In earning this degree I completed numerous core Accounting and business classes. I look forward to earning my Masters in Business Administration in the near future.

As a Utility Regulatory Auditor, I perform rate audits and prepare miscellaneous filings as ordered by the Public Service Commission. In addition, I review all exhibits and testimony on my assigned issues, develop adjustments and issue positions which I then support by work papers and written testimony. For those cases that do not require prepared testimony, I prepare Staff Recommendation Memorandums.

Other cases I have been assigned to or participated are:

<b>Case Number</b>	<b>Company Name - Issue</b>
WR-2010-0111	Lake Region Water and Sewer Company (LRWS)
SR-2010-0110	Lake Region Water and Sewer Company (LRWS)
GR-2009-0355	Missouri Gas Energy (MGE), a Division of Southern Union (Electric)
HR-2009-0092	KCP&L Greater Missouri Operations Company (GMO) - L&P (Steam)
ER-2009-0090	KCP&L Greater Missouri Operations Company (GMO) - MPS and L&P (Electric)
ER-2009-0089	Kansas City Power & Light Company – Direct Report- Material and Supplies, Prepayments, Advertising and Rate Case Expenses
GO-2009-0009	Missouri Gas Energy (MGE) – Infrastructure Service Replacement Surcharge (ISRS)
SR-2008-0389	West 16 <sup>th</sup> Sewer Company
SR-2008-0388	WPC Sewer Company

**MISSOURI PUBLIC SERVICE COMMISSION**

**STAFF REPORT  
COST OF SERVICE**

**APPENDIX 2  
Support for Staff Cost  
of  
Capital Recommendations**

**LAKE REGION WATER & SEWER COMPANY**

**CASE NO. SR-2010-0110  
&  
CASE NO. WR-2010-0111**

*Jefferson City, Missouri  
January 2010*

**LAKE REGION WATER and SEWER COMPANY  
CASE NO. WR-2010-0111 and SR-2010-0110**

**Weighted Cost of Capital as of September 30, 2009  
for Lake Region Water & Sewer Company**

				Weighted Cost of Capital Using Common Equity Return of:		
<u>Capital Component</u>	<u>Amount</u>	<u>Percentage of Capital</u>	<u>Embedded Cost</u>	<u>8.00%</u>	<u>8.50%</u>	<u>9.00%</u>
Common Stock Equity	\$514,404.60	16.36%	-----	1.31%	1.39%	1.47%
Long-Term Debt	<u>\$2,629,091.40</u>	<u>83.64%</u>	5.01%	<u>4.19%</u>	<u>4.19%</u>	<u>4.19%</u>
Total Capital (Rate Base)	<u><u>\$3,143,496.00</u></u>	<u><u>100.00%</u></u>		<u><u>5.50%</u></u>	<u><u>5.58%</u></u>	<u><u>5.66%</u></u>

Sources:

Response to Staff DR Nos. 0052 and 0060