

Exhibit No.	:	
Witness	:	ROBERT F. RENNICK
Type of Exhibit	:	Direct Testimony
Party	:	CITY OF JEFFERSON
Issue	:	Stipulation and Agreement in Case No. WR-2007-0216 and Task Force
Case No	:	WR-2008-0311

CITY OF JEFFERSON

Case No. WR-2008-0311

DIRECT TESTIMONY

OF

ROBERT F. RENNICK

Jefferson City, Missouri
August, 2008

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI


In the Matter of Missouri-American Water Company's)
Request for Authority to Implement a General Rate) Case No. WR-2008-0311
Increase for Water and Sewer Service Provided in) consolidated with SR-2008-0312
Missouri Service Areas)

AFFIDAVIT OF ROBERT F. RENNICK

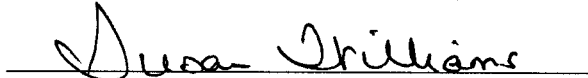
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, ROBERT F. RENNICK, of lawful age, being duly sworn, do hereby depose and state:

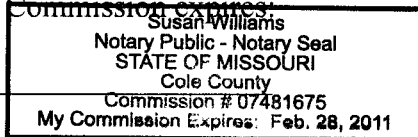
1. My name is ROBERT F. RENNICK. I am the Fire Chief for the Jefferson City Fire Department.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.


Robert F. Rennick

Subscribed and sworn to before me, a Notary Public, this 18th day of August, 2008.


Notary Public

My Commission Expires:



1
2
3 DIRECT TESTIMONY
4

5 Q. WHAT IS YOUR NAME, TITLE AND BUSINESS ADDRESS?

6 A. My name is Robert Frank Rennick, and I am the Fire Chief for the Jefferson City Fire
7 Department. My business address is City Hall, 320 East McCarty, Jefferson City,
8 Missouri.
9

10 Q. ON WHOSE BEHALF DO YOU APPEAR IN THIS PROCEEDING?

11 A. City of Jefferson (the City).
12

13 Q. WHAT ARE YOUR RESPONSIBILITIES AS FIRE CHIEF OF THE CITY OF
14 JEFFERSON?

15 A. I direct the Fire Department operation with regard to fire suppression, emergency medical
16 response and prevention activities.
17

18 Q. HAVE YOU ATTACHED A SCHEDULE WHICH SUMMARIZES YOUR
19 EDUCATIONAL AND PROFESSIONAL EXPERIENCE?

20 A. Yes, it is attached as RFR Schedule 1.
21

22 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

23 A. I will discuss how the parties are moving ahead in the task force created under the
24 Stipulation and Agreement entered by the City, Missouri American Water Company,
25 Staff and the Office of Public Counsel in the Company's last rate case (Case No. WR-

1 2007-0126). The Stipulation is attached to my testimony as RFR Schedule 2. (RFR
2 Schedule 2 does not include Appendix A, the set of specifications referred to paragraph 2
3 of the Stipulation). A Joint Application to open a special case in which to conduct the
4 business of the task force was filed on November 11, 2007 and assigned Case No. WO-
5 2008-0167. The task force is under the obligation to prepare a report to the Commission
6 summarizing its activities. That task force report is due in October of this year. This
7 testimony should not be construed as the task force report. Since the Stipulation
8 originated from issues raised by the City, I considered it important for the City to briefly
9 report to the Commission

10 Q. WHAT WERE THE SUBJECTS COVERED IN THE STIPULATION?

11 A. In short, the Stipulation addressed back up power generation at the Company's Jefferson
12 City treatment plant, and storage capacity and transmission mains for the Company's
13 Jefferson City operations. These topics had detailed treatment in the stipulation.

14 Q. WHAT IS THE STATUS OF THE BACK UP GENERATION AT THE COMPANY'S
15 JEFFERSON CITY TREATMENT PLANT?

16 A. The Company has installed the permanent back up generator. Mr. Gilbert Cole, local
17 manager, has advised me that there are still a few operational items that need correction
18 but otherwise, the generation equipment is working near expectations. Mr. Cole has
19 agreed to advise me of the results of additional load and operational tests the Company is
20 planning. Basically, more work needs to be done on this project but it is near substantial
21 completion. The City expects the Company to bring the generation equipment to
22 specification or above in the very near future.

1 Q. HAS THE TASK FORCE TAKEN UP THE CONDITION OF THE COMPANY'S
2 STORAGE CAPACITY AND TRANSMISSION MAINS?

3 A. The task force in full has met three times (and is scheduled to meet again in late August),
4 and I think it is fair to say that at each meeting these topics are given attention, but the
5 Company's storage capacity, and a related topic of treatment capacity, in the Jefferson
6 City service area have received more consideration from the participants. Although I
7 would prefer to see increased coverage of my concern over the Company's transmission
8 mains in the course of the task force meetings and studies, there are very important ideas
9 and options being explored by the task force members, the company and the City related
10 to storage and treatment capacity. These ideas and options are still in a beginning stage
11 and deserve the task force's time.

12
13 Q. IS THE TASK FORCE CONSIDERING THE RATE IMPACTS ON CUSTOMERS OF
14 ANY IDEAS OR OPTIONS?

15 A. Because these ideas are still in an infant stage, the task force has not arrived at any
16 recommended improvements. The range of rate impacts is not yet known. The task force
17 is still at the point of reviewing the feasibility of various concepts, and there are no
18 definite figures calculated as to total company costs and customer rate effects. Rough
19 estimates may be available and those can be reviewed at the next task force meeting.

1 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

2 A. Yes, it does.

RFR Schedule 1
EDUCATIONAL AND PROFESSIONAL EXPERIENCE
FOR
ROBERT F. RENNICK

Education:

Earned an Associate of Arts Degree from Columbia College

Attended numerous fire training courses offered by the University of Missouri

Attended numerous courses offered by the National Fire Academy

Attended numerous continuing education courses

Teaching:

Associate Faculty Instructor for the Missouri Fire and Rescue Training Institute

Fire Service Instructor II Certification by Missouri State Fire Marshal Office

Professional:

Washington, Missouri, Volunteer Fire Company, 1964 to 1965

Boone Country Fire Protection District, 1965 to 1979

Positions: Firefighter, Property Officer, Fire Lieutenant, Fire Captain,
Battalion Chief

Columbia Fire Department, October 1970 to November 1979

Positions: Firefighter, Fire Engineer, Fire Inspector, Fire Lieutenant, Training
Officer

Jefferson City Fire Department, November 1979 to present

Position: Fire Chief

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

In the Matter of the General Rate Increase)	
for Water and Sewer Service Provided)	Case No. WR-2007-0216
by Missouri-American Water Company.)	SR-2007-0217

In the Matter of Missouri-American Water)	
Company's Filing of Revised Sewer Tariff Sheets)	
to Implement a Capacity Charge for Missouri-)	Case No. ST-2007-0443
American's Warren County and Jefferson County)	
Sewer Districts.)	

**STIPULATION AND AGREEMENT
AS TO JEFFERSON CITY ISSUES**

COME NOW Missouri-American Water Company (the "Company"), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("Public Counsel") and the City of Jefferson City ("City") and respectfully state to the Missouri Public Service Commission ("Commission") that, as a result of extensive negotiations, the undersigned parties ("Parties")¹ have reached the following stipulations and agreements concerning the issues pertaining to fire suppression and certain infrastructure improvements raised by Jefferson City in the instant cases (the Stipulation):

1. **Previously Filed Stipulations and Agreements (No further issues).** As a result of this Stipulation, no changes shall need to be made to the Nonunanimous Stipulation and Agreement filed previously in this case on August 9, 2007. This Stipulation pertaining to the City's issues respecting fire suppression and, specifically, issues regarding specified features of the Company's infrastructure resolves all issues raised by the City in this proceeding.

¹ The terms "Company," "Staff," "Public Counsel" and "City" as used in this Stipulation shall be construed to include in the appropriate context an authorized representative or authorized representatives of the identified party.

Back Up Power

2. **Installation and Specifications.** The Company agrees that on or before December 31, 2007, it will install and bring to operational readiness a back up or auxiliary power generator at its Jefferson City treatment plant. The generator shall be configured so that it will automatically activate in the event commercial power is interrupted at the plant's high service pumping equipment. The generator shall be manufactured to the specifications found in the attached Appendix A.² The deadline imposed for installation of the generator may be extended for good cause and such an extension will not be unreasonably refused.

3. **Performance and Load Testing.** At a time mutually convenient to the parties, but not later than thirty (30) days after installation, the Company will conduct a performance test of the generator at which the Staff and the City will be allowed to attend. At a minimum, the performance test shall be designed to determine whether: 1) the generator has been properly installed; 2) the output is sufficient to meet or exceed the anticipated load; and 3) an electrical transfer switch will automatically activate the generator as an alternative source of electrical power for Company's pumping equipment and pumping equipment will be energized as intended. In addition to any preventative maintenance required by the manufacturer of the generator, the Company agrees to conduct periodic performance and load testing of the generation equipment not less frequently than once a calendar quarter. The City shall be entitled to written notice of the performance test and an opportunity to observe each test.

Company Storage Capacity and Transmission Mains

4. **Background.** The parties acknowledge that in July, 2005 and again in August 2006, the City exercised rights conferred by ordinance to curtail water usage in the City because

² Appendix A is an excerpt from the Company's instructions to bidders respecting the generating unit and appurtenant equipment.

the Company's water system pumping could not keep up with demand. The conservation measures were required until demand for water subsided in the Jefferson City Service Area. Additionally, the parties acknowledge that there are smaller transmission mains feeding larger mains in the Company's Jefferson City system. These types of connections can be found in areas now being redeveloped or under pressure for redevelopment.³ The Company is currently engaged in a comprehensive study of forecasted consumer loads for purposes of Jefferson City operations and prudent plant improvements. Part of the comprehensive study includes a hydraulic model which should identify opportunities for hydraulic improvements to the transmission grid among other things.

5. **Exchange of Data.** Within thirty days of the effective date of the Report and Order in this case, each party will exchange the results of completed studies (if any) undertaken by such party within the last three years regarding forecasted consumer loads in Jefferson City, the condition or improvement to Company storage or treatment capacity in Jefferson City or Company major transmission mains in Jefferson City.⁴ Privileged information shall be subject to a confidentiality agreement, or alternatively, the parties may apply to the Commission for creation of a case in which the information may be exchanged under protection of 4 CSR 240-2.135. This includes an obligation to provide the disclosing party with a list of persons that will review any privileged information, as would be required by 4 CSR 240-2.135(3)(B). Additionally, the City agrees that once it is provided a copy of the Company's Comprehensive Planning Study (CPS), no additional copies of that study will be produced by the City.

³ The City's witness, Chief Robert Rennick, testified that the varying diameters of the connected transmission mains in the Jefferson City system have created water pressure and flow problems. That the Company has entered this stipulation, and, among other things, has agreed to study its transmission grid shall not be construed as agreements with or endorsements of Chief Rennick's testimony.

⁴ As part of this data exchange, Company also agrees to provide to the City its daily demand records for the previous three years. Company further agrees that it will provide the City its records of daily demand for the period of time the parties agree to exchange data as provided in this stipulation. The process for the exchange of the future demand data will be determined by the Task Force.

6. **Task Force Created.** Within sixty days of the effective date of a Report and Order in this case, Staff, Company, Public Counsel and the City will create a task force from select representatives of each party. The purposes of the task force shall first be to review all existing studies described above or any similar study completed during or within the period of time the parties have agreed to exchange data. As may be mutually agreed to by the parties, the task force shall engage in further studies related to the Company's existing storage, treatment, transmission and pumping facilities. The task force shall then prepare a study respecting: 1) the options for reducing or eliminating the likelihood of emergency water conservation measures in the Jefferson City service area in the future; 2) improvements to the Company's transmission grid where opportunities exist to increase water pressure; and 3) expected rate impacts associated with the construction and maintenance of the capital improvements identified in the report. It is recognized that an examination by the task force of costs and rate impacts, which includes the weighing of costs in relation to the potential benefits, is an integral part of its purpose.

7. **Report Following Study.** The task force shall prepare, or, in the event a task force report is impractical, each party may separately prepare, a report summarizing the activities of the task force and the improvement options. The report shall be submitted to the Commission no later than twelve months after the effective date of the Report and Order in this case.

8. **Continuing Obligation Regarding Exchange of Data.** Between the effective date of the Report and Order in this case and the effective date the Report and Order in the Company's next general rate case, the Company and City agree that pursuant to reasonable request each will provide the other the final results of any study or model performed by either respecting anticipated growth in the Jefferson City service area, projected demand for water

service, replacement of Company facilities for pumping, treatment, storage, transmission or distribution and the costs of any maintenance or any improvements related thereto.

Contingent Waiver of Rights

9. This Stipulation and Agreement is being entered into solely for the purpose of settling the identified issues in the cases that are listed above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology. Other than explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in these or any other proceeding regardless of whether this Stipulation and Agreement is approved.

10. This Stipulation and Agreement has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. If the Commission does not approve this Stipulation and Agreement unconditionally and without modification, then this Stipulation and Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

11. If the Commission does not approve this Stipulation and Agreement without condition or modification, and notwithstanding the provision herein that it shall become void; neither this Stipulation and Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation and Agreement had not been presented for approval, and any suggestions,

memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

12. In the event the Commission accepts the specific terms of this Stipulation and Agreement without condition or modification, the Signatories waive their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to RSMo §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a Commission order approving this Stipulation and Agreement without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation and Agreement.

Right to Disclose

13. The Staff may file suggestions or a memorandum in support of this Stipulation and Agreement. Each of the Parties shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's suggestions or memorandum, responsive suggestions or a responsive memorandum, which shall also be served on all Parties. The contents of any suggestions or memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

14. The Staff also shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests; provided, that the Staff shall, to the extent reasonably practicable, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to Commission Rule 4 CSR 240-2.135.

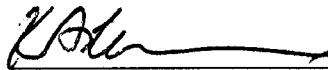
WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement As To Jefferson City Issues.

Respectfully submitted,



William R. England #23975
Dean L. Cooper #36592
BRYDON SWEARENGEN &
ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166
(573) 634-7431 (fax)
trip@brydonlaw.com
dcooper@brydonlaw.com

ATTORNEYS FOR THE MISSOURI-
AMERICAN WATER COMPANY




Kevin A. Thompson #36288
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
(573) 751-2690
(573) 751-9285 (fax)
Kevin.Thompson@psc.mo.gov

ATTORNEY FOR THE STAFF OF THE
MISSOURI PUBLIC SERVICE COMMISSION



Mark W. Comley #28847
NEWMAN, COMLEY & RUTH P.C.
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, MO 65102-0537
(573) 634-2266
(573) 636-3306 (FAX)
comleym@ncrpc.com

ATTORNEYS FOR THE CITY OF
JEFFERSON CITY, MISSOURI



Christina L. Baker #58303
Assistant Public Counsel
P O Box 2230
Jefferson City, MO 65102
(573) 751-5565
(573) 751-5562 FAX
christina.baker@ded.mo.gov

ATTORNEY FOR THE OFFICE OF
THE PUBLIC COUNSEL

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 23rd day of August, 2007, to:

Kevin Thompson
General Counsel's Office
Kevin.Thompson@psc.mo.gov

Christina Baker
Office of the Public Counsel
christina.baker@ded.mo.gov

Michael A. Evans
Hammond, Shinnars, et al.
mevans@hstly.com

Marc H. Ellinger
Blitz, Bardgett & Deutsch
MEllinger@blitzbardgett.com

Stuart Conrad
Finnegan, Conrad & Peterson
stucon@fcplaw.com

Lisa C. Langeneckert
The Stolar Partnership
llangeneckert@stolarlaw.com

Leland B. Curtis
Curtis, Heinz, et al.
lcurtis@lawfirmemail.com

James M. Fischer
Fischer & Dority
jfischerpc@aol.com

William D. Steinmeier
William D. Steinmeier, P.C.
wds@wdspc.com

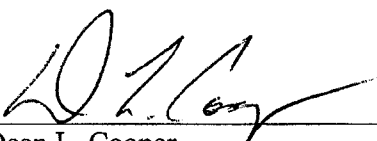
Diana M. Vuylsteke
Bryan Cave, L.L.P.
dmvuylsteke@bryancave.com

Byron E. Francis
Armstrong Teasdale LLP
bfrancis@armstrongteasdale.com

Mark W. Comley
Newman, Comley & Ruth
comley@ncrpc.com

Jeremiah Finnegan
Finnegan, Conrad & Peterson
jfinnegan@fcplaw.com

Robert L. Hess II
Husch & Eppenberger
robert.hess@husch.com



Dean L. Cooper