

Exhibit No.:
Issue: Depreciation
Witness: John A. Robinett
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: WO-2014-0340
Date Testimony Prepared: October 3, 2014

**MISSOURI PUBLIC SERVICE COMMISSION
REGULATORY REVIEW DIVISION
UTILITY SERVICES DEPARTMENT
ENGINEERING AND MANAGEMENT SERVICES**

REBUTTAL TESTIMONY

OF

JOHN A. ROBINETT

**BRANDCO INVESTMENTS, LLC and
HILLCREST UTILITY OPERATING COMPANY, INC.**

CASE NO. WO-2014-0340

*Jefferson City, Missouri
October 3, 2014*

1 A. Yes, as part of Staff's investigation, I reviewed the water and sewer
2 utility asset depreciation rates, plant-in-service, and the accumulated depreciation reserves
3 for Brandco when they acquired the utility assets in Case Nos. WM-2007-0261 and
4 SM-2007-0262. The depreciation rates ordered in those cases are still appropriate and Staff
5 recommends that Hillcrest adopt the current Commission-ordered depreciation rates of
6 Brandco for the water and sewer utility assets if acquired in this case. The depreciation
7 accrual rates for sewer assets are attached as Schedule JAR(DEP)-2, and accrual rates for
8 water assets are included as Schedule JAR(DEP)-3.

9 Q. Does this conclude your rebuttal testimony in this proceeding?

10 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

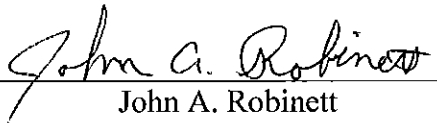
In the Matter of the Joint Application of)
Brandco Investments, LLC and Hillcrest)
Utility Operating Company, Inc., for Hillcrest)
to Acquire Certain Water and Sewer Assets of)
Brandco and, In Connection Therewith, Issue)
Indebtedness and Encumber Assets)

Case No. WO-2014-0340

AFFIDAVIT OF JOHN A. ROBINETT

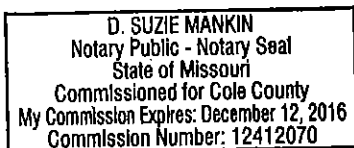
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

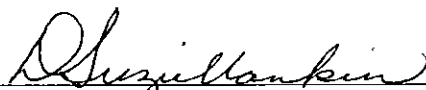
John A. Robinett, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 2 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



John A. Robinett

Subscribed and sworn to before me this 2nd day of October, 2014.





Notary Public

John A. Robinett

I am employed as a Utility Engineering Specialist III for the Missouri Public Service Commission (Commission). I began employment with the Commission in April of 2010. In May of 2008, I graduated from the University of Missouri-Rolla (now Missouri University of Science and Technology) with a Bachelor of Science degree in Mechanical Engineering.

During my time as an undergraduate, I was employed as an engineering intern for the Missouri Department of Transportation (MoDOT) in their Central Laboratory located in Jefferson City, Missouri for three consecutive summers. During my time with MoDOT, I performed various qualification tests on materials for the Soil, Aggregate, and General Materials sections. A list of duties and tests performed are below:

- Compressive strength testing of 4" and 6" concrete cylinders and fracture analysis
- Graduations of soil, aggregate, and reflective glass beads
- Sample preparations of soil, aggregate, concrete, and steel
- Flat and elongated testing of aggregate
- Micro-deval and LA testing of aggregate
- Bend testing of welded wire and rebar
- Tensile testing of welded, braided cable, and rebar
- Hardness testing of fasteners (plain black and galvanized washers, nuts, and bolts)
- Proof loading and tensile testing of bolts
- Sample collection from active road constructions sites
- Set up and performed the initial testing on a new piece of equipment called a Linear Traverse / Image Analysis
- Wrote operators manual for the Linear Traverse / Image Analysis Machine
- Trained a fulltime employee on how to operate the machine prior to my return to school
- Assisted in batching concrete mixes for testing, mixing the concrete, slump cone testing, percent air testing, and specimen molding of cylinders and beams

Upon graduation, I accepted a position as an Engineer I in the Product Evaluation Group for Hughes Christensen Company, a division of Baker Hughes, Inc. (Baker), an oil field service company. During my employment with Baker, I performed failure analysis on oil field drill bits as well as composed findings reports which were forwarded to the field engineers in order for them to report to the company the conclusions of the failure causes.

JOHN A. ROBINETT
SUMMARY OF CASE PARTICIPATION

Listed below are the cases in which I have supplied depreciation rates accompanied by a signed affidavit.

Company	Case Number	Issue
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	GR-2014-0152	Direct, Rebuttal, Surrebuttal and Live Testimony
Summit Natural Gas of Missouri, Inc	GR-2014-0086	Depreciation Study, Direct and Rebuttal Testimony
P.C.B., Inc.	SR-2014-0068	Depreciation Review
M.P.B., Inc.	SR-2014-0067	Depreciation Review
Roy-L Utilities	WR-2013-0543	Depreciation Review
Roy-L Utilities	SR-2013-0544	Depreciation Review
Missouri Gas Energy Division of Laclede Gas Company	GR-2014-0007	Depreciation Study, Direct and Rebuttal Testimony
Central Rivers Wastewater Utility, Inc	SA-2014-00005	Depreciation Rate Adoption
Empire District Electric Company	ER-2012-0345	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony
Empire District Electric Company	WR-2012-0300	Depreciation Review
Laclede Gas Company	GO-2012-0363	Depreciation Authority Order Rebuttal, Surrebuttal and Live Testimony
Moore Bend Water Company, Inc. sale to Moore Bend Water Utility, LLC (Water)	WM-2012-0335	Depreciation Rate Adoption
Oakbrier Water Company, Inc.	WR-2012-0267	Depreciation Review
Lakeland Heights Water Co., Inc.	WR-2012-0266	Depreciation Review
R.D. Sewer Co., L.L.C.	SR-2012-0263	Depreciation Review
Canyon Treatment Facility, LLC	SA-2010-0219	Depreciation Rate Adoption-CCN
Taney County Water, LLC	WR-2012-0163	Depreciation Review
Sale of Saddlebrooke Water and Sewer Infrastructure, LLC to Missouri American Water Company (Sewer)	SA-2012-0067	Rebuttal Testimony
Sale of Saddlebrooke Water and Sewer Infrastructure, LLC to Missouri American Water Company (Water)	WA-2012-0066	Rebuttal Testimony
Midland Water Company, Inc.	WR-2012-0031	Depreciation Review
Sale of KMB Utility Corporation to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Sewer)	SO-2011-0351	Depreciation Rate Adoption

**JOHN A. ROBINETT
SUMMARY OF CASE PARTICIPATION**

Company	Case Number	Issue
Sale of KMB Utility Corporation to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Water)	WO-2011-0350	Depreciation Rate Adoption
Sale of Noel Water Company, Inc. to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Water)	WO-2011-0328	Depreciation Rate Adoption
Sale of Taney County Utilities Corporation to Taney County Water, LLC (Water)	WM-2011-0143	Depreciation Rate Adoption
Empire District Electric Company	ER-2011-0004	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony
Rex Deffenderfer Enterprises, Inc.	WR-2011-0056	Depreciation Review
Tri-States Utility, Inc	WR-2011-0037	Depreciation Review
Southern Missouri Gas Company, L.P.	GE-2011-0096	Depreciation Study Waiver
Southern Missouri Gas Company, L.P.	GR-2010-0347	Depreciation Review
KMB Utility Corporation (Sewer)	SR-2010-0346	Depreciation Review
KMB Utility Corporation (Water)	WR-2010-0345	Depreciation Review
Middlefork Water Company	WR-2010-0309	Depreciation Review

Hillcrest Utility Operating Company, Inc. - SEWER
DEPRECIATION RATES
(SEWER)
Current ordered Depreciation rates SM-2007-0262 Brandco
SO-2014-0341

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)
352.1	Collection Sewers (Force)	2.0%	50
352.2	Collection Sewers (Gravity)	2.0%	50
354	Services	2.0%	50
362	Receiving Wells	4.0%	25
363	Electric Pumping Equipment	10.0%	10
372	Oxidation Lagon	4.0%	25
373	Treatment & Disposal Facilities	5.0%	20
376	Other Treatment and Disposal Plant	5.0%	20
393	Other General Equipment	10.0%	10

Hillcrest Utility Operating Company, Inc. - WATER

DEPRECIATION RATES

(WATER)

Current ordered Depreciation rates WM-2007-0261 Brandco

WO-2014-0340

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>DEPRECIATION RATE</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>
311	Structures & Improvements	2.5%	40
314	Wells & Springs	2.0%	50
316	Supply Mains	2.0%	50
325	Electric Pumping Equipment	10.0%	10
342	Distribution Reservoirs & Standpipes	2.5%	40
343	Transmission & Distribution Mains	2.0%	50
345	Services	2.5%	40
346	Meters	10.0%	10
347	Meter Installations	2.5%	40
348	Hydrants	2.0%	50