

Exhibit No.:
Issues: True-Up
Witness: Edward J. Grubb
Exhibit Type: Rebuttal
Sponsoring Party: Missouri-American Water Company
Case No.: WR-2007-0216
SR-2007-0217
Date: July 13, 2007

MISSOURI PUBLIC SERVICE COMMISSION

**CASE NO. WR-2007-0216
CASE NO. SR-2007-0217**

TRUE-UP DIRECT TESTIMONY

OF

EDWARD J. GRUBB

ON BEHALF OF

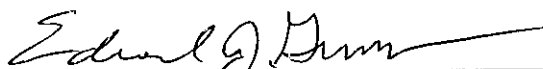
MISSOURI-AMERICAN WATER COMPANY

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

IN THE MATTER OF MISSOURI-AMERICAN)	
WATER COMPANY FOR AUTHORITY TO)	
FILE TARIFFS REFLECTING INCREASED)	CASE NO. WR-2007-0216
RATES FOR WATER AND SEWER)	CASE NO. SR-2007-0217
SERVICE)	

AFFIDAVIT OF EDWARD J. GRUBB

Edward J. Grubb, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "True-Up Direct Testimony of Edward J. Grubb"; that said testimony were prepared by him and/or under his direction and supervision; that if inquires were made as to the facts in said testimony, he would respond as therein set forth; and that the aforesaid testimony are true and correct to the best of his knowledge.



Edward J. Grubb

State of Missouri
County of St. Louis
SUBSCRIBED and sworn to
Before me this 13th day of July 2007.



Notary Public

My commission expires:

**Staci A. Olsen
Notary Public - Notary Seal
State of Missouri
St. Charles County
Commission # 05519210
My Commission Expires: March 20, 2009**

TRUE-UP DIRECT TESTIMONY

EDWARD J. GRUBB

WITNESS INTRODUCTION AND PURPOSE

1
2
3 **Q. Please state your name, title and business address.**

4
5 A. Edward J. Grubb, Director Rates and Revenue for American Water, 727 Craig
6 Road, St. Louis, Missouri 63141.
7

8 **Q. By whom are you employed and in what capacity?**

9 A. I am employed by American Water as the Manager Rates and Regulations for
10 the Central Region and I am also the Assistant Treasurer for Missouri-
11 American Water Company ("Company" or "MAWC").
12

13 **Q. Would you please describe your educational background and business
14 experience?**

15 A. My background and qualifications are summarized in Schedule EJG-1 of my
16 Direct Testimony.
17

18 **Q. Have you previously participated in regulatory matters?**

19 A. Yes, I have prepared rate cases and presented testimony before the
20 Maryland Public Service Commission, West Virginia Public Service
21 Commission, Tennessee Public Service Commission, Illinois Commerce
22 Commission, Kentucky Public Service Commission, Iowa Utilities Board,
23 Indiana Utility Regulatory Commission, and this Commission.
24

25 **Q. What is the purpose of your True-Up Direct Testimony?**

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A. The purpose of my True-Up Direct Testimony is to support the Company's proposed true-up of items identified in its Recommendation Concerning Test Year and Request for True-Up Audit and Hearing (filed on December 22, 2006). The Commission's Order Adopting Procedural Schedule, issued Ferbaury 22, 2007, called for true-up direct testimony to be filed along with rebuttal testimony.

Q. What items were identified for true-up in the rate case?

A. The following items were identified:

- Utility Plant in Service;
- Accumulated Depreciation;
- Contributions in Aid of Construction;
- Customer Advances;
- Deferred Income Taxes, Including ITC;
- Regulatory Asset;
- Property Taxes;
- Labor and Benefits (MAWC and AWWWS);
- Rate Case Expense;
- MSD Revenue, if necessary;
- Capital Structure;
- Postage;
- PSC Fee Assessment;

- 1 • Depreciation Expense;
- 2 • Other items as the parties may agree to in the proceeding.
- 3

4 **Q. Has the staff completed their true-up for the period ending May 2007?**

5 A. The Company has provided all of the information needed by the Staff to
6 complete the true-up. I have had a number of discussions with the Staff
7 regarding the elements of the true-up. On July 10, 2007, I received a copy of
8 the Staff's Revenue Requirement (EMS Run) which included the true-up
9 information. The Company is currently reviewing this information. Should we
10 discover any issues, we will alert the Staff as quickly as possible.

11 **Q. Will the Company be filing any additional documents with your true-up**
12 **direct testimony?**

13 A. No.

14 **Q. Does this complete your true-up direct testimony?**

15 A. Yes, it does.