

*Exhibit No.:*  
*Issue(s):* Policy  
*Witness:* Natelle Dietrich  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Surrebuttal Testimony  
*Case No.:* WA-2019-0299  
*Date Testimony Prepared:* September 23, 2019

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**SURREBUTTAL TESTIMONY**

**OF**

**NATELLE DIETRICH**

**CONFLUENCE RIVERS UTILITY  
OPERATING COMPANY, INC.**

**CASE NO. WA-2019-0299**

*Staff* Exhibit No. 101  
Date 10/7/19 Reporter JWB  
File No. WA-2019-0299

Jefferson City, Missouri  
September 2019

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **NATELLE DIETRICH**

4 **CONFLUENCE RIVERS UTILITY**  
5 **OPERATING COMPANY, INC.**

6 **CASE NO. WA-2019-0299**

7 Q. Please state your name and business address.

8 A. My name is Natelle Dietrich. My business address is 200 Madison Street,  
9 Jefferson City, Missouri 65101.

10 Q. Are you the same Natelle Dietrich that previously filed Direct Testimony in this  
11 case on May 31, 2019?

12 A. Yes I am.

13 Q. What is the purpose of your Surrebuttal Testimony?

14 A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal  
15 Testimony of Lake Perry Lot Owners Association ("LPLOA") witnesses Richard DeWilde and  
16 Glen Justis. More specifically, I address their discussions that the Confluence Rivers' Utility  
17 Operating Company's ("CRU") Application is detrimental to the public interest and LPLOA's  
18 proposal for an alternative.

19 Q. Mr. DeWilde's testimony, at page 3, lines 7-8, states his testimony will present  
20 facts showing the CRU Application is detrimental to the public interest. Please explain the  
21 information Staff reviews when making a recommendation to the Commission as to whether a  
22 transaction meets the "not detrimental to the public interest" standard.

23 A. When an entity seeks authority to acquire assets and/or certificates of  
24 convenience and necessity ("CCN") of a Commission-regulated utility, Staff reviews the

1 technical, managerial, and financial (“TMF”) capacity of the applicant. In this case, Staff  
2 reviewed the experience and expertise of CRU’s president and its affiliates operating in  
3 Missouri. In its Memorandum attached to my Direct Testimony as Schedule ND-d2  
4 (“Memorandum”), Staff explains that CRU satisfies the TMF criteria.

5         When reviewing a request for a new CCN, Staff reviews the Tartan criteria: 1) the need  
6 for service; 2) the utility’s qualifications; 3) the utility’s financial ability; 4) the feasibility of  
7 the proposal; and, 5) promotion of the public interest. While not a “new” CCN, Staff considered  
8 the Tartan criteria in its investigation of the current Application. For instance, since Port Perry  
9 Service Company (“PPSC”) has decided to exit the water and sewer utility business and sell the  
10 systems to CRU, there is a demonstrated need for service. As an example of economic  
11 feasibility, Staff notes in its Memorandum that CRU has the advantage of economies-of-scale  
12 since it is already providing water and sewer service to more than just the customers to which  
13 it would be providing service in the PPSC service area.

14         Based on its review of the TMF and Tartan Factors in this case, Staff asserts that it is  
15 not detrimental to the public interest for CRU to acquire the assets and CCNs of PPSC.  
16 Further, the Commission has found that CRU’s affiliates meet the TMF or Tartan criteria in  
17 previous cases<sup>1</sup> under the same or similar circumstances and conditions as proposed in this case.  
18 Finally, as explained below, Staff witnesses provide additional Surrebuttal Testimony on  
19 certain aspects of the TMF or Tartan criteria for Commission consideration.

20         Q.     Mr. Justis, at page 4 beginning at line 18 through page 5 line 2, indicates the  
21 acquisition of PPSC by CRU is detrimental to the public interest, and further indicates he

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<sup>1</sup> For instance, see Case Nos. WM-2018-0116, SM-2018-0117, WM-2017-0151, SM-2017-0150.

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Natelle Dietrich

1 worked with the Lake Perry community on an alternative “for the benefit of the community and  
2 adjacent customers”. How does Staff respond?

3 A. Staff is aware that there is a business plan presented by LPLOA witnesses in this  
4 case. However, Staff would note that the Commission only has one application before it – the  
5 application for CRU to acquire the assets and CCNs of PPSC. As previously explained, and  
6 without getting into legal arguments, the standard for Commission review is not which proposal  
7 is best, but whether the Application before it is “not detrimental to the public interest.”  
8 Further, PPSC has executed a contract for CRU to acquire its assets and CCNs. There is no  
9 such contract between PPSC and LPLOA; therefore, at this time, there is no alternative for  
10 Commission review or consideration should it not approve the Application.

11 Q. Confidential Schedule ND-d2 includes a list of several Staff witnesses  
12 that contributed to the Memorandum. Are other Staff witnesses filing Surrebuttal Testimony  
13 in this case?

14 A. Yes. Staff witness Kim Bolin, who contributed to the Rate Base portion of  
15 Staff’s Memorandum, is filing Surrebuttal Testimony in response to LPLOA witness Justis on  
16 issues that are ultimately future rate case issues; Staff witness Dana Parish, who contributed to  
17 the Customer Notice/Customer Service portion of Staff’s Memorandum, is filing Surrebuttal  
18 Testimony in response to LPLOA witness Justis and submitting information on the public  
19 comments submitted in this case in response to a request at the Local Public Hearing; David  
20 Roos, who contributed to the Water and Sewer analysis portion of Staff’s Memorandum is filing  
21 Surrebuttal Testimony in response to LPLOA witness Justis. With the exception of Staff  
22 member Daronn Williams, who prepared the Depreciation section of the Memorandum, all

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1 other Staff members listed on the Memorandum provided information or support to the  
2 Memorandum, but are not sponsoring contributors to the writing of the Memorandum.

3 Q. Does this conclude your Surrebuttal Testimony?

4 A. Yes it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of the Application of )  
Confluence Rivers Utility Operating ) Case No. WA-2019-0299  
Company, Inc. to Acquire Certain Water and )  
Sewer Assets and for a Certificate of )  
Convenience and Necessity )

**AFFIDAVIT OF NATELLE DIETRICH**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

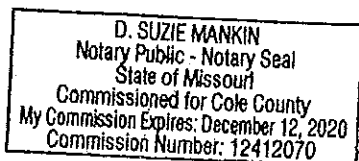
**COMES NOW NATELLE DIETRICH** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal Testimony*; and that the same is true and correct according to her best knowledge and belief.

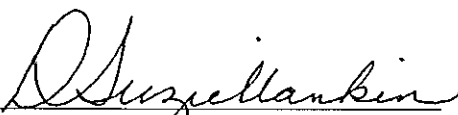
Further the Affiant sayeth not.

  
NATELLE DIETRICH

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 23<sup>rd</sup> day of September, 2019.



  
Notary Public