

Exhibit No.:
Issues: Water Use Normalization
Witness: Jerry Scheible, P.E.
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: WR-2011-0337
Date Testimony Prepared: February 2, 2012

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

SURREBUTTAL TESTIMONY

OF

JERRY SCHEIBLE, P.E.

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2011-0337

*Jefferson City, Missouri
February 2012*

*Staff Exhibit No. 18
Date: 2-21-12 Reporter: JL
File No: WR-2011-0337*

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

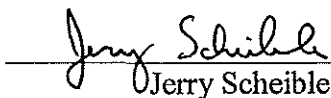
In the Matter of Missouri-American Water)
Company's Request for Authority to)
Implement A General Rate Increase for)
Water and Sewer Service Provided in)
Missouri Service Areas)

Case No.: WR-2011-0337

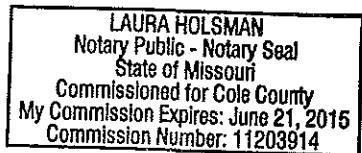
AFFIDAVIT OF JERRY SCHEIBLE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Jerry Scheible, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 3 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.


Jerry Scheible

Subscribed and sworn to before me this 15th day of February, 2012.




Notary Public

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SURREBUTTAL TESTIMONY

OF

JERRY SCHEIBLE, P.E.

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2011-0337

Q. Please state your name and business address.

A. My name is Jerry Scheible and my business address is P. O. Box 360, Jefferson City, Missouri 65102.

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

A. I am a Utility Regulatory Engineer in the Water and Sewer Unit, Regulatory Review Division of the Missouri Public Service Commission (Staff).

Q. Are you the same Jerry Scheible who previously prepared testimony on various issues in the Staff's Cost of Service Report and Rebuttal Testimony filed in this case?

A. Yes, I am.

Q. What is the purpose of your Surrebuttal Testimony in this case?

A. The purpose of my Surrebuttal Testimony is to address the Rebuttal testimonies of Missouri-American Water Company (Company) witnesses Edward L. Spitznagel, Jr. and Gary A. Naumick, and to further explain Staff's recommendation for residential customer water usages.

Q. Witness Spitznagel presents data in Schedule ELS-3 of his Rebuttal Testimony which is intended to show that Staff's method may lead to overestimation of

1 | water usage by applying the method retroactively and comparing the results to known
2 | actual usages. Does Staff dispute Mr. Spitznagel's findings?

3 | A. No. However, no Company witness presented any evidence to show how
4 | the Company's proposed method of normalization of water usage would compare to
5 | actual historic usages if applied retroactively. Therefore, there is no basis for comparison
6 | of accuracy between Staff's method and the Company method.

7 | Q. Both Mr. Spitznagel and Mr. Naumick assert in Rebuttal Testimony that a
8 | trend of declining residential water consumption is occurring and that Staff's method of
9 | normalizing water usage does not account for the trend. Does Staff's position ignore the
10 | possibility of a declining water consumption trend?

11 | A. No. Although no specific adjustment was calculated or applied to Staff's
12 | proposed residential customer water usages, utilizing the most recent historical usage
13 | available certainly would be affected by any trend in declining usage.

14 | Q. Will you please explain how Staff's method of averaging recent data
15 | would be affected by any declining consumption trend?

16 | A. By averaging the usage data from the most recent consecutive four-year
17 | period, any usage amount that is lower, or declining, would indeed bring down the
18 | calculated average. This is true for any value that is lower in the data set, be it the data
19 | from the earliest year or the most recent year available, which may or may not be
20 | indicative of a declining trend.

21 | Q. Beginning on page 3; line 9 of his Rebuttal Testimony, Mr. Naumick
22 | presents his opinions regarding the increasing prevalence of higher efficiency water-using

Surrebuttal Testimony of
Jerry Scheible

1 fixtures and appliances. Does Staff disagree that low-flow fixtures are becoming more
2 prevalent?

3 A. No. Staff agrees that regulatory standards for increased water efficiency
4 of fixtures and appliances have been, and will continue to be, implemented. However,
5 Staff reiterates that any potential decreasing trend in usage due to increased efficiency in
6 appliances and fixtures, as well as any other potential impacts, is accounted for in Staff's
7 method.

8 Q. Does this conclude your Surrebuttal Testimony?

9 A. Yes.