

Exhibit No.:
Issues: Infrastructure System Replacement
Surcharge
Witness: Brian W. LaGrand
Exhibit Type: Rebuttal
Sponsoring Party: Missouri-American Water Company
Case No.: WO-2019-0184
Date: May 13, 2019

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WO-2019-0184

REBUTTAL TESTIMONY

OF

BRIAN W. LaGRAND

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

**REBUTTAL TESTIMONY
BRIAN W. LAGRAN
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WO-2019-0184**

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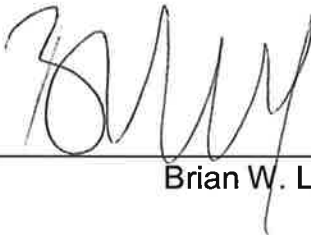
II. Proposed ISRS Rates2

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

IN THE MATTER OF MISSOURI-AMERICAN)	
WATER COMPANY'S PETITION TO)	
ESTABLISH AN INFRASTRUCTURE)	CASE NO. WO-2019-0184
REPLACEMENT SURCHARGE)	
)	

AFFIDAVIT OF BRIAN W. LAGRAND

Brian W. LaGrand, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Rebuttal Testimony of Brian W. LaGrand"; that said testimony was prepared by him and/or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of his knowledge.



Brian W. LaGrand

State of Missouri
County of St. Louis
SUBSCRIBED and sworn to
Before me this 10th day of May 2019.



Notary Public

My commission expires:



REBUTTAL TESTIMONY

BRIAN W. LAGRAND

I. INTRODUCTION

1

2 **Q. Please state your name and business address.**

3 A. My name is Brian W. LaGrand, and my business address is 727 Craig Road, St. Louis,
4 MO, 63141.

5

6 **Q. Are you the same Brian W. LaGrand who previously submitted direct testimony**
7 **in this proceeding?**

8 A. Yes.

9

10 **Q. What is the purpose of your rebuttal testimony in this proceeding?**

11 A. The purpose of my rebuttal testimony is to respond to the direct testimony of Missouri
12 Public Service Commission (“Commission”) Staff (“Staff”) witnesses Matthew Barnes
13 and Karen Lyons.

14

15 **II. PROPOSED ISRS RATES**

16 **Q. On page 3 of his rebuttal testimony, Staff witness Barnes shows the Company’s**
17 **proposed ISRS rates in this case. Are those the ISRS rates the Company is**
18 **currently proposing?**

19 A. No. Those rates are based on the Company’s April update to the initial filing. Since
20 that filing, the Company has accepted some minor adjustments made by Staff, which
21 results in a slight reduction to the revenue requirement. The Company’s current

1 proposed rates are shown on Schedule BWL-2 of my direct testimony filed in this case.

2

3 **Q. In Table 1, on page 3 of his direct testimony, Staff witness Barnes compares the**
4 **Company's proposed ISRS rates with Staff's proposed ISRS rates. Are there any**
5 **issues with this table?**

6 A. Yes, two issues. First, as mentioned above, the Company's proposed rates are slightly
7 different than what was provided in the April update. The currently proposed ISRS
8 rate for Rate A customers is \$0.49778 per 1,000 gallons. The ISRS rates shown for
9 Rate B and Rate J customers are correct. Second, the rates in Table 1 are shown per
10 100 gallons, but are actually the rates per 1,000 gallons. The Company has discussed
11 these issues with Staff, and it is our understanding that this was inadvertent and Staff
12 will correct as necessary.

13

14 **Q. On page 3 of her Direct Testimony, Staff witness Lyons identifies the difference**
15 **in revenue requirement between the Company and Staff as \$827,387. Does the**
16 **Company calculate the same difference?**

17 A. As noted in Schedule BWL-3 in my Direct Testimony, the Company calculated a
18 revenue requirement impact of \$827,383. The minor difference is due to rounding.

19

20 **Q. Are there any other issues the Company would like to address related to Staff's**
21 **calculations in this case?**

22 A. Yes, there is one item. While it had no impact on their revenue requirement calculation,
23 Staff reduced rate base by \$8,847,541, to reflect removal of the Net Operating Loss¹.

¹ Staff Recommendation, Appendix B

1 The correct number in Staff's calculation should be \$ 8,764,652. The Company has
2 discussed this issue with Staff, and it is our understanding that Staff agrees with this
3 correction .

4

5 **Q. Does this conclude your rebuttal testimony?**

6 A. Yes.