

Exhibit No.: _____
Issue(s): Metropolitan Sewer District Contract/
Rate Case Expense/
Cedar Hill Sewer Excess Capacity/
Security Accounting Authority Order/
Comprehensive Planning Study
Witness/Type of Exhibit: Robertson/Direct
Sponsoring Party: Public Counsel
Case No.: WR-2010-0131

DIRECT TESTIMONY
OF
TED ROBERTSON

Submitted on Behalf of the Office of the Public Counsel

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2010-0131

**

**

Denotes Proprietary information that has been redacted

March 9, 2010

NP

**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.)

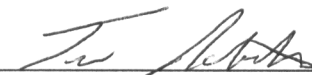
Case No. WR-2010-0131

AFFIDAVIT OF TED ROBERTSON

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Ted Robertson, of lawful age and being first duly sworn, deposes and states:

1. My name is Ted Robertson. I am a Public Utility Accountant for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.




Ted Robertson, C.P.A.
Public Utility Accountant III

Subscribed and sworn to me this 9th day of March 2010.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2013
Cole County
Commission #09754037



Jerene A. Buckman
Notary Public

My Commission expires August 23, 2013.

TABLE OF CONTENTS

| Testimony | Page |
|--------------------------------------|------|
| Introduction | 1 |
| Purpose of Testimony | 2 |
| Metropolitan Sewer District Contract | 3 |
| Rate Case Expense | 6 |
| Cedar Hill Sewer Excess Capacity | 26 |
| Security Accounting Authority Order | 27 |
| Comprehensive Planning Study | 35 |

1
2
3
4
5
6
7
8

**DIRECT TESTIMONY
OF
TED ROBERTSON**

9
10
11
12

**MISSOURI AMERICAN WATER COMPANY
CASE NO. WR-2010-0131**

13

I. INTRODUCTION

14 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

15 A. Ted Robertson, PO Box 2230, Jefferson City, Missouri 65102-2230.

16 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

17 A. I am employed by the Missouri Office of the Public Counsel ("OPC" or "Public
18 Counsel") as a Public Utility Accountant III.

19 Q. WHAT IS THE NATURE OF YOUR CURRENT DUTIES AT THE OPC?

20 A. Under the direction of the OPC Chief Public Utility Accountant, Mr. Russell W.
21 Trippensee, I am responsible for performing audits and examinations of the
22 books and records of public utilities operating within the state of Missouri.

23 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND OTHER
24 QUALIFICATIONS.

25 A. I graduated in May, 1988, from Missouri State University with a Bachelor of
26 Science Degree in Accounting. In November of 1988, I passed the Uniform
Certified Public Accountant Examination and I obtained Certified Public

1 Accountant ("CPA") certification from the state of Missouri in 1989. My CPA
2 license number is 2004012798.

3
4 Q. HAVE YOU RECEIVED SPECIALIZED TRAINING RELATED TO PUBLIC
5 UTILITY ACCOUNTING?

6 A. Yes. In addition to being employed by the Missouri Office of the Public Counsel
7 since July 1990, I have attended the NARUC Annual Regulatory Studies
8 Program at Michigan State University and I have participated in numerous
9 training seminars relating to this specific area of accounting study.

10
11 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC
12 SERVICE COMMISSION ("COMMISSION" OR "MPSC")?

13 A. Yes, I have testified on numerous issues before this Commission. Please refer
14 to Schedule TJR-1, attached to this testimony, for a listing of cases in which I
15 have submitted testimony.

16
17
18 II. PURPOSE OF TESTIMONY

19 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

20 A. The purpose of this Direct Testimony is to address the Public Counsel's positions
21 regarding the determination of an appropriate level of costs associated with

1 Missouri-American Water Company's ("MAWC" or "Company") Metropolitan
2 Sewer District ("MSD") Contract, Rate Case Expense, Cedar Hill Sewer Excess
3 Capacity, Security Accounting Authority Order and Comprehensive Planning
4 Study.

5
6 III. METROPOLITAN SEWER DISTRICT CONTRACT

7 Q. WHAT IS THE ISSUE?

8 A. Company and Metropolitan Sewer District have a contract wherein MSD is
9 charged \$350,000 per year for the provision of Company customer and usage
10 data.

11
12 Q. WHAT IS PUBLIC COUNSEL'S POSITION REGARDING THIS ISSUE?

13 A. Public Counsel believes that the annual amount should be based on an allocation
14 of the fully-distributed, not incremental or negotiated, actual costs incurred to
15 produce the information. Thus, the annual amount reimbursed by MSD should
16 be increased to \$545,535.

17
18 Q. HOW DID PUBLIC COUNSEL DETERMINE ITS PROPOSED MSD ANNUAL
19 PAYMENT?

20 A. In its response to OPC Data Request No. 1100, Company provided a copy of a
21 document ("Study") it had prepared and titled **

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

** On page ** of the Study, it identifies the total annual **

** I believe that the associated cost to produce the information should be allocated evenly between Company and MSD. For example, according to the Study, Company's total annual **

** Since Company also utilizes those same ** for its own purposes, the costs associated with the ** should be split evenly between both Company and MSD. Furthermore, Company estimated that the total annual **

** Thus, MSD should be required to pay \$545,535 of the total cost to produce the **

** Public Counsel's proposal represents an approximate increase of \$195,535 (i.e., \$545,535 less \$350,000) for the services MSD is provided.

1 Q. IS THE COMPANY'S CUSTOMER READ AND COST INFORMATION
2 IDENTIFIED IN THE PRIOR Q&A BASED ON THE MOST CURRENT
3 INFORMATION AVAILABLE?

4 A. No. Public Counsel utilized the data in the Study to identify for the Commission
5 how it believes the MSD annual payment should be determined.
6

7 Q. IS IT LIKELY THAT THE ANNUAL MSD FEE PAYMENT PROPOSED BY
8 PUBLIC COUNSEL WILL BE MODIFIED AS THIS CASE PROGRESSES?

9 A. Yes. Public Counsel has sent the Company data requests for the most current
10 information available based on the format of the aforementioned Study;
11 therefore, Public Counsel's annual MSD payment proposal will likely be modified
12 once the current information is provided.
13

14 Q. IF COMPANY CUSTOMERS AND MSD CUSTOMERS ARE THE SAME, WHAT
15 DOES IT MATTER WHO PAYS THE COSTS?

16 A. Therein lies the problem. Not all of Company's customers are MSD customers.
17 Therefore, if MSD customers do not pay their full share of the actual costs for the
18 services provided, the remaining customers of Company will actually be
19 subsidizing the MSD customers sewer service. Public Counsel does not believe
20 that it is appropriate that services provided to customers of an unregulated entity
21 be subsidized by the customers of the regulated utility.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Q. DO COMPANY'S REGULATED RATEPAYER'S BENEFIT FROM THE MSD PAYMENTS EVEN IF THEY ARE BASED ON AN INCREMENTAL OR NEGOTIATED AMOUNT?

A. Yes, to the extent that the MSD payments exceed any incremental costs incurred by Company to process the data for MSD, costs assigned to regulated customers would be lower. However, based on the Company's own Study, the amount MSD currently pays approximates ** ** per customer on an annual basis (i.e., \$350,000 divided by ** ** customers); whereas, the Company calculated that its actual total annual cost per customer in the MSD area is approximately ** **. If MSD can provide that same services it receives from the Company more efficiently on its own, it should do so, but it is hard to rationalize that it can when Public Counsel's proposal would only increase MSD's annual cost to approximately ** **.

IV. RATE CASE EXPENSE

Q. WHAT IS THE ISSUE?

A. The issue is how to determine the proper amount of rate case expense Company should be authorized to include in the development of future rates.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Q. PLEASE SUMMARIZE THE PUBLIC COUNSEL'S POSITION ON THIS ISSUE.

A. Public Counsel's position is that the amount of rate case expense, included in the development of Company's rates, should only include a normalized annual level of charges that directly benefit ratepayers. Since both shareholders and ratepayers benefit from the activities from which these charges derive, both parties should be held responsible for their payment.

Q. WHAT ARE THE TYPES OF COSTS THAT ARE NORMALLY BOOKED BY COMPANY AS RATE CASE EXPENSE?

A. Rate case expense typically consists of charges associated with activities such as general rate increase cases initiated by Company and various other legal proceedings relating to Commission proceedings (e.g., certification filings, complaints, etc.). Individual costs within each category may include items such as:

1. Printing (e.g., rate notification letters, initial filing, testimony, briefs, other)
2. Postage
3. Legal Counsel
4. Consultants
5. Miscellaneous Expenses (e.g., stated by individual for outside legal, consultants and utility personnel for travel, hotel, meals, other, etc.)

1 Q WHAT IS THE TEST YEAR AMOUNT OF RATE CASE EXPENSE COMPANY
2 RECORDED IN ITS FINANCIAL RECORDS?

3 A. For the Commission ordered test year, twelve months ended June 30, 2009, the
4 balance booked is \$507,156 (source: MAWC General Ledger).

5
6 Q. DOES THE PUBLIC COUNSEL BELIEVE THAT THE TEST YEAR BALANCE
7 BOOKED REPRESENTS A REASONABLE LEVEL OF RATE CASE EXPENSE
8 FOR INCLUSION IN THE DEVELOPMENT OF FUTURE RATES?

9 A. No.

10

11 Q. WHAT RATE CASE EXPENSE SHOULD RATEPAYERS BE HELD
12 RESPONSIBLE FOR PAYMENT?

13 A. On a going forward basis, Public Counsel believes that actual charges incurred for
14 rate case expense should be analyzed in detail so as to determine the costs that
15 should be included in the annual cost of service.

16

17 Q. WHAT RATE CASE COSTS SHOULD BE RECOVERED FROM
18 SHAREHOLDERS AND RATEPAYERS?

19 A. Costs associated with Commission cases should first be analyzed to determine if
20 they are prudent, reasonable and necessary. Those that are determined not
21 prudent, reasonable or necessary should not be reimbursed by ratepayers. For

1 example, costs incurred by Company personnel, outside legal and outside
2 consultants that are determined imprudent, unreasonable or unnecessary should be
3 automatically disallowed. In addition, if the utility has employees capable of
4 developing and supporting the case cost of service ("COSS") study, the cost of
5 hiring of higher-priced outside legal or consultants should not be allowed either.
6 Once the prudent, reasonable and necessary costs of the specific case are
7 determined, the balance should then be split evenly between shareholders and
8 ratepayers as it represents costs associated with activities that benefit both. The
9 ratepayer's allocated portion can then be included in the development of future rates
10 by normalizing the cost commensurate with the Company's average general rate
11 case filing history.

12
13 Q. DOES THE PUBLIC COUNSEL BELIEVE THAT THE COSTS ASSOCIATED
14 WITH THE CURRENT GENERAL RATE INCREASE CASE SHOULD BE
15 UTILIZED TO DEVELOP THE NORMALIZED AMOUNT OF RATE CASE
16 EXPENSE TO INCLUDE IN THE DETERMINATION OF FUTURE RATES?

17 A. Yes. On a going forward basis, Public Counsel believes that the costs incurred in
18 the instant case should be utilized to determine the annual level of rate case
19 expense to include in the development of rates since they represent the most recent
20 actual costs one can expect the utility to incur.

21

1 Q. HOW DO SHAREHOLDERS AND RATEPAYERS BENEFIT FROM THE
2 ACTIVITIES ASSOCIATED WITH GENERAL RATE INCREASE CASES?

3 A. Customers definitely have an interest in ensuring that their utilities' rates are just
4 and reasonable, which is the ultimate objective of any rate case, whether it
5 results in an increase or decrease in a given utility's rates; however, both
6 shareholders and ratepayers benefit in many ways from a strong stable
7 organization that has competent management at its helm. The utility that is able
8 to respond to all stakeholders with the services and other requirements that they
9 expect necessitates that the utility be able to access debt markets at competitive
10 rates. That entails that the earnings capacity of the utility must be sufficient to
11 fund its construction and operational processes while providing an adequate
12 return to shareholders. In addition, operational processes must be able to fulfill
13 the utility's commitments of safe and reasonably priced service to ratepayers. All
14 of which can only be done if the utility is allowed to recover a reasonable return
15 on its investment and recover prudent, reasonable and necessary expenses.
16 General rate increase cases provide the avenue upon which the utility seeks to
17 obtain the proper revenue requirement (i.e., rates) which will allow it to meet
18 those goals. Furthermore, shareholders benefit even more from any efficiencies
19 that management may be able to incorporate into the organization; thereby,
20 increasing the likelihood of growth in future stock prices and dividends they may
21 receive.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Q. HAVE YOU REVIEWED COMPANY'S PROJECTED COSTS TO DEVELOP AND PROCESS THE INSTANT CASE, AND ITS PROPOSAL FOR THE ANNUAL AMOUNT OF RATE CASE EXPENSE TO INCLUDE THE COST OF SERVICE?

A. Yes. Company's Direct Testimony workpapers provided a listing that shows a projected total cost of \$862,334 to process the instant case. The breakdown of the costs is as follows:

| | | |
|-----|---|------------------|
| 1. | Brydon, Swearingen & England P.C. | \$225,000 |
| 2. | Gannett Fleming, Inc. - Cost of Service/Tariff Design | \$ 72,300 |
| 3. | Ed Sptiznagel - Weather Normalization | \$ 33,704 |
| 4. | AUS, Inc. - Rate of Return/Cost of Money | \$ 45,650 |
| 5. | AWWS Rate Group - Rate Case Preparation | \$263,000 |
| 6. | Rate Case Consultant | \$ 3,000 |
| 7. | AUS, Inc. | \$ 34,680 |
| 8. | Miscellaneous | \$175,000 |
| 9. | Other Contingencies | <u>\$ 10,000</u> |
| | Total | \$862,334 |
| 10. | Remaining Amortization - WR-2007-0216 | \$ 48,369 |
| 11. | Remaining Amortization - WR-2008-0311 | <u>\$ 92,502</u> |
| | Total | \$140,871 |

Company's rate case expense proposal is to include \$572,039 in its annual cost of service. The amount is calculated by amortizing the current case total projected costs, \$862,334, over two years plus adding the remaining amortization from the prior two general rate increase cases (i.e., \$862,334 divided by 2 =

1 \$431,167 plus \$140,871 = \$572,039). In essence, Company's proposal would
2 allow it to continue recovering the remaining non-expensed costs of the two prior
3 general rate increase cases even though, according to the Company, those costs
4 will be fully expensed and recovered by the end of calendar year 2010.

5
6 Q. IS PUBLIC COUNSEL CONCERNED ABOUT THE LARGE EXPENDITURES
7 COMPANY EXPECTS TO INCUR FOR PROCESSING THE CURRENT
8 GENERAL RATE INCREASE CASE?

9 A. Yes. Public Counsel has become increasingly concerned with the level of rate
10 case expense among utilities in general. For example, costs associated with
11 outside legal representation and consultants is extremely costly and represents
12 the majority of the costs projected; however, all of these costs are properly within
13 management's control. As a result, rate case expense, like any other
14 expenditure, is an area where utilities should seek to contain costs.

15
16 Q. DOES PUBLIC COUNSEL BELIEVE THAT OUTSIDE LEGAL AND CONSULTANT
17 COSTS HAVE BECOME EXCESSIVE AND THAT THE COMPANY HAS NO
18 INCENTIVE TO CONTROL THESE COSTS?

19 A. Yes. The use of costly outsiders to process and defend the rate increase request
20 is particularly disconcerting when one considers that MAWC is a relatively large
21 utility. It is likely that many of its employees hold degrees from colleges and

1 | universities which likely match or exceed the educational requirements needed to
2 | prepare and defend a cost of service study - not to mention their combined work
3 | experience and acquired skills. These employees should be able to perform
4 | most, if not all, of the work required. Thus, Company has not shown that it would
5 | incur a higher cost for preparing and supporting the COSS request with its own
6 | employees or those of its affiliates. Utilities should be made aware that a "pass-
7 | through" of rate case expense is not automatic and the Commission should
8 | certainly review the expenses for prudence, reasonableness and necessity to
9 | ensure that they are not improper or excessive. Especially in today's economic
10 | climate.

11 |
12 | Q. IS IT YOUR BELIEF THAT SPECIFIC RATE CASE COSTS ARE NOT BEING
13 | PRUDENTLY INCURRED BY THE COMPANY?

14 | A. Yes. OPC believes that the Company has not attempted to appropriately control
15 | the costs it projects to incur for the current case. Company's lack of support for
16 | its rationale to use the services of outside legal and consultant services indicates
17 | such.

18 |
19 | Q. IS THE COST ASSOCIATED WITH COMPANY'S USE OF OUTSIDE LEGAL
20 | AND OUTSIDE CONSULTANT SERVICES EXCESSIVE?

1 A. I believe it likely that the costs are excessive. The Company, and its affiliates,
2 likely employ attorneys, accountants, and engineers that presumably could have
3 been utilized to prepare, file and defend its rate increase request. In fact,
4 Company has to its credit sought to contain certain rate case expenses by using
5 its own resources and those of an affiliate to prepare and represent much of its
6 case. However, Company chose to go outside its employee base (including
7 affiliates) by hiring several entities to develop and present other areas of its case.
8 Public Counsel believes that "in-house" resources should have been expanded
9 to include the handling and presentation of legal and other activities for as much
10 of the rate case work as possible or, in the alternative, the Company should show
11 why it was not feasible to do so before resorting to hiring outside legal and
12 consultants to perform the work.

13
14 Q. DOES PUBLIC COUNSEL BELIEVE THAT THE COMPANY HAS THE PROPER
15 INCENTIVE TO CONTROL THE LEVEL OF EXPENDITURES IT IS INCURRING
16 FOR THE CURRENT GENERAL RATE INCREASE CASE?

17 A. No. Company's management apparently believes that because it decides to
18 incur outside legal and outside consultant costs to assist it in processing its
19 request for a rate increase, those expenditures should be considered and
20 authorized as an automatic recovery from ratepayers. Public Counsel believes
21 that rationale is neither appropriate or reasonable. It is not appropriate because

1 the idea itself results in monopolistic inefficiencies which lead to higher rates than
2 should have actually occurred. The utility should always be actively seeking to
3 reduce its cost structure so that ratepayers do not end up paying higher rates
4 than absolutely necessary, but the indiscriminate incurrence of excessive
5 expenditures runs counter to that goal. Also, it is not reasonable due to the fact
6 that if the expenditures are to be incurred, they should only be incurred with the
7 understanding that they are the most cost-effective alternative and that their
8 incurrence will be scrutinized thoroughly so as to avoid the payment of improper
9 or unreasonable charges. Company's view that it can spend whatever it desires
10 to process its rate increase request, because the expenditures are an entitlement
11 subject to automatic recovery, provides no incentive for the controlling of the
12 costs at issue.

13
14 Q. SHOULD REASONABLE AND NECESSARY EXPENDITURES TO PREPARE
15 AND PRESENT A RATE CASE BE ALLOWED IN THE DETERMINATION OF
16 FUTURE RATES RECOVERED FROM RATEPAYERS?

17 A. Yes; however, ratepayers should be held accountable only for a proportionate share
18 of such expenditures since both ratepayers and shareholders benefit from their
19 incurrence. If the costs incurred are determined to be reasonable and necessary,
20 both ratepayers and shareholders should be responsible for their payment since
21 both parties benefit from these expenditures.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Q. DO YOU BELIEVE THAT THE EXPENDITURES COMPANY IS INCURRING FOR LEGAL COSTS AND CONSULTANTS COSTS IN THE RATE CASE ARE REASONABLE AND NECESSARY?

A. No. I base my opinion on the belief that the Company has not provided sufficient cost/benefit support that shows the cost of using the services of the outside parties versus that of its own employee base is the best course of action for ratepayers.

Q. SHOULD THE COMMISSION SUBSTITUTE ITS JUDGMENT FOR THAT OF THE UTILITY'S MANAGEMENT IN CHOOSING WHICH RATE CASE EXPENSES TO INCUR?

A. No. The Commission should not seek to substitute its judgment for the Company's – or that of any party – in determining which consultant or legal counsel is best suited to serve its interests; however, the need to contain rate case expense should be accorded a high priority for rate case work. In seeking recovery of rate case expense, utilities must provide an adequate justification and showing that their choice of outside services is both reasonable and cost-effective. A utility that seeks to recover rate case expense when it has not properly evaluated its options is not something ratepayers should have to underwrite. Recovery should not be automatic.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Q. SHOULD THE COMMISSION DETER THE COMPANY FROM SEEKING NECESSARY ASSISTANCE TO DEVELOP AND IMPLEMENT ITS GENERAL RATE INCREASE CASES?

A. No. The Commission should not deter Company from seeking necessary assistance in preparing, supporting and implementing a new COSS. However, Company has a significant number of employees whose wages and benefits are treated as operating expenses and paid by its customers. It is probable, in my opinion, that a greater number of these employees could have been utilized to prepare and defend the Company's request for the rate increase.

The ongoing operations of a utility include justifying its rate structure and supporting rate increase requests. Some of Company's employees presumably have sufficient expertise and familiarity with utility regulation to enable them to assist in the preparation of a COSS and then support their findings before the Commission; thus, Company would likely be able to prepare and implement a new COSS without the need of making large expenditures for outside legal or consultants. Company should be advised that in order for the costs of outside legal or consultants to be considered allowable rate case expenses, they must be incurred in the most efficient and prudent manner possible.

1 Q. IS PUBLIC COUNSEL TAKING A NARROW VIEW THAT RATE CASES THAT
2 RESULT IN RATE INCREASES BENEFIT ONLY THE UTILITY'S
3 SHAREHOLDERS BY INCREASING EARNINGS?

4 A. No. The need for a base rate filing is initiated by the utility and driven by its
5 desire to obtain an increase in rates, but an authorized revenue requirement
6 merely gives the utility an opportunity to earn a return on its investments.
7 Increased rates do not necessarily mean higher earnings will be achieved for
8 shareholders. Other benefits include the ability to provide safe, adequate and
9 proper utility service.

10
11 Q. SHOULD CONSUMERS BE FORCED TO PAY FOR ELABORATE DEFENSES
12 OF PRIVATE INTEREST?

13 A. No. Costs incurred by Company to present and defend positions on expense
14 recovery and investment return which primarily benefit shareholders should not be
15 recovered from ratepayers.

16
17 Q. WHAT DOES PUBLIC COUNSEL BELIEVE CONSTITUTES AN ELABORATE
18 DEFENSE?

19 A. Elaborate defense, as used here, consists of Company's hiring of outside legal and
20 consultant services to support its rate case when it is very likely its own employees,

1 or that of its affiliates, could have done the job just as well and perhaps more
2 effectively.

3
4 Q. SHOULD RATEPAYERS BE AFFORDED EVERY OPPORTUNITY TO SAVE
5 MONEY THROUGH REDUCED COSTS AND EFFICIENT SERVICE?

6 A. Yes. Since utility ratepayers are a captive population, the utility should use all
7 means possible to ensure that ratepayers receive safe and efficient service at the
8 most reasonable and efficient cost possible.

9
10 Q. DOES THE COMPANY'S USE OF OUTSIDE CONSULTANTS TO SUPPORT ITS
11 RATE CASE FILING YIELD EFFICIENT SERVICE AT A REASONABLE COST?

12 A. No. MAWC, and its affiliates, likely have sufficient personnel resources to process
13 a general rate increase case in this State; however, it appears that Company chose
14 not to fully utilize those resources. Instead of utilizing the knowledge and skills of its
15 own resources to present its case or showing why that was not feasible, Company
16 chose to hire an outside legal firm to handle the legal aspects of the case. Public
17 Counsel believes that to be an inefficient use of Company resources. The same
18 goes for Company's utilization of outside consultants for the accounting,
19 depreciation, economic and financial activities associated with the current case.
20 Utilization of its own and/or affiliate employees would have possibly provided
21 services in a more cost-effective manner.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Q. DOES PUBLIC COUNSEL BELIEVE THAT SHAREHOLDERS SHOULD CARRY AN EQUAL PROPORTION OF THE COST OF THIS RATE CASE FOR WHICH THEY TOO RECEIVE A BENEFIT?

A. Yes. Benefits that inure to ratepayers from a utility rate case are at least matched (if not exceeded) by benefits enjoyed by the shareholders of the utility. Therefore, utilities should be vigilant in controlling their rate case expenses so that owners and customers are not unduly burdened by the incurrence of unnecessary or inefficient costs.

Q. WHAT SHARING OF PRUDENT, REASONABLE AND NECESSARY COSTS DOES PUBLIC COUNSEL PROPOSE?

A. Public Counsel recommends that once the level of prudent, reasonable and necessary costs is determined they should be shared 50%/50% between shareholders and ratepayers.

Q. WHY DOES PUBLIC COUNSEL BELIEVE THAT A 50%/50% SHARING OF THE COSTS IS APPROPRIATE?

A. A general rate increase case arises for the benefit of a utility's shareholders due to the fact that a primary motivation in filing a rate case is to add shareholder value by increasing rates. Thus, prudent, reasonable and necessary expenses

1 resulting from the rate case should be shared 50%/50% between shareholders
2 and ratepayers so that shareholders bear some of the burden for the benefits
3 they receive.
4

5 Q. DOES SHAREHOLDER PAYMENT OF A PORTION OF THE RATE CASE
6 COSTS CONSTITUTE AN UN-EQUITABLE FORFEITURE?

7 A. Not in my opinion. Since the shareholders stand to gain from the opportunity to
8 earn any increase in revenue requirement authorized by the Commission, they
9 too benefit from the costs incurred to proceed with the case. It stands to reason
10 that if the authorized revenue requirement exceeds the costs of the rate case,
11 they have a net benefit; thus, there is no un-equitable forfeiture.
12

13 Q. DOES THE PUBLIC COUNSEL BELIEVE THAT THE COMMISSION SHOULD
14 DISCOURAGE UTILITIES FROM HIRING OUTSIDE LEGAL COUNSEL OR
15 CONSULTANTS TO SUPPORT THEIR POSITIONS?

16 A. No. It is not the Commission's place to micro-manage the utility; however, neither
17 should the Commission automatically allow the utility to "pass-through" the charges
18 for the expenditures simply because the Company's management chose to incur
19 the costs.
20

21 Q. ARE RATE CASE COSTS OUTSIDE THE CONTROL OF MANAGEMENT?

1 A. No. There are a certain amount of “embedded costs” inherent in any general
2 rate increase case; however, most of the costs are not outside of the Company’s
3 control. For example, the Company chooses the employees, attorneys and
4 consultants it wants to represent its case. The Company then chooses how they
5 are going to comply with discovery and what efforts, if any, they will make to
6 facilitate and economize the process. Furthermore, the Company dictates what
7 measures it will take to mitigate rate case expense by choosing which positions it
8 favors and seeks to pursue or not pursue within the case.

9
10 Q. JUST BECAUSE THE COMPANY CHOOSES TO INCUR CERTAIN
11 EXPENDITURES SHOULD THE COMMISSION ASSUME THAT THE COSTS
12 ARE PRUDENT, REASONABLE AND NECESSARY?

13 A. No. The Commission should not assume that just because the utility expended
14 the time and cost its rate case expenditures should be automatically recoverable
15 from ratepayers. It is incumbent on the Company to mitigate its rate case
16 expense because the Company alone has chosen to initiate and process the rate
17 increase request. Moreover, if the Company decides to engage in conduct that
18 increases rate case expense, it is the Company that has the burden of
19 establishing the amount incurred and showing that it is prudent, reasonable and
20 necessary.

1 Furthermore, the Commission is obligated to consider competing policies of what
2 expenses should be considered in ratemaking decisions including rate case
3 expense. Therefore, in establishing rates, the Commission is required to balance
4 the public need for adequate, efficient, and reasonable service with the utility's
5 need for sufficient revenue to meet the cost of furnishing service and earning a
6 reasonable return on investment. Company apparently expects the Commission
7 to take its word that the costs it expects to incur are prudent, reasonable and
8 necessary. That is not a reasonable position because rate case costs involve a
9 high degree of management choice and discretion over whether or not to incur
10 each expenditure. The Commission should look past Company's simplistic
11 position and base its decision on whether or not each expenditure was prudent.
12

13 Q. DO YOU PROPOSE TO DISALLOW ALL OF COMPANY'S RATE CASE
14 EXPENSE?

15 A. No. Public Counsel's recommendation is that the Commission recognize rate
16 case costs benefit both MAWC shareholders and ratepayers; thus, shareholders
17 should also be held responsible for a portion of the costs related to the burden.
18 Because rate proceedings are a part of the normal course of business for a utility
19 and because rate proceedings, by establishing just and reasonable rates, are
20 conducted for the benefit of both ratepayers and shareholders, it is widely
21 accepted that rate case expenses are one aspect of a utility's operating costs

1 and are recoverable in a general rate proceeding. However, because
2 shareholders and ratepayers both benefit, a policy of requiring only ratepayers to
3 pay the costs is not reasonable. In general, if costs incurred by a utility to
4 prepare and present a rate case are prudent, reasonable and necessary they
5 should be properly recoverable from both shareholders and ratepayers. The
6 ratepayer's portion should be treated as an ordinary and reasonable cost of doing
7 business.

8
9 The Commission should also note that the amount estimated to be expended by
10 Company in this general rate increase case (i.e., exceeds \$1,000,000) should be
11 considered excessive for a utility which applies for rate increases relatively
12 frequently, understands the regulatory process, likely has personnel on its staff,
13 or that of its affiliates, who were previously directly involved in the regulatory
14 process, and is litigating essentially the same issues as those litigated in its last
15 several general rate increase cases.

16
17 Q. WHAT IS THE ANNUALIZED AMOUNT OF RATE CASE EXPENSE YOU ARE
18 PROPOSING THAT THE COMPANY RECEIVE?

19 A. Public Counsel recommends that the Commission ignore the costs of prior
20 general rate increase cases booked in Company's financial records (and
21 especially Company's proposal to over-recover those costs) and focus its

1 attention on the costs Company is incurring to process the current case. Within
2 that context, Public Counsel recommends that the question of who benefits from
3 the costs is an important consideration to take into account since rate case
4 expense is a complex problem in that consumers should not be forced to pay
5 elaborate defenses of private interests. Therefore, the Commission should
6 disallow costs Company expects to incur that are associated with the outside
7 legal and consultants hired by the utility to process the current case. Company
8 bears the burden of proof in these proceedings and it must establish that any
9 expenditure it incurs is prudent, reasonable and necessary. That, in Public
10 Counsel's opinion, has not occurred.

11
12 Therefore, Public Counsel recommends that Company be allowed to recover
13 50% of its incremental "in-house" rate case activities determined by the
14 Commission to be prudent, reasonable and necessary. However, since the costs
15 are a moving target in that they will continue to be incurred through the end of the
16 update period and true-up (if authorized), the total rate case expense is not yet
17 known. Public Counsel will update the Commission on its recommendation in
18 later testimony.

19
20 Q. IS THERE A NEED TO NORMALIZE THE ANNUALIZED RATE CASE
21 EXPENSE AUTHORIZED BY THE COMMISSION?

1 A. Yes. Since utilities do not normally file a rate increase request on a yearly basis,
2 the costs that they incur to process the activity should be recovered over a period
3 of years representative of how often the utility's rates are actually changed from
4 one case to another. The costs should be normalized (averaged) over that
5 period of time necessary to complete the cycle for the activity.

6
7 Q. DOES PUBLIC COUNSEL RECOMMEND A SPECIFIC NORMALIZATION
8 PERIOD?

9 A. Yes. I have reviewed the frequency of occurrence for Company's general rate
10 increase filings and Public Counsel recommends that, for this rate case, the
11 Commission authorized rate case costs should be normalized for a two-year
12 cycle of rate case occurrences. Thus, I believe, that a two year normalization of
13 the costs is the most appropriate amount to include in the cost of service.

14
15 V. CEDAR HILL SEWER EXCESS CAPACITY

16 Q. WHAT IS THE ISSUE?

17 A. In Company's last general rate increase case, Case Nos. WR-2008-0311 & SR-
18 2008-0312, Staff proposed a Cedar Hill plant capacity adjustment to reflect that
19 due to an expansion of the investment in the plant its capacity exceeded the
20 needs for current customers served. Staff's proposal did not recommend a
21 prudence disallowance of the investment costs incurred, but did propose that the

1 plant investment associated with the expansion not be included in Company's
2 rate base. Instead, Staff proposed that the expansion investment costs should
3 be recovered from new customers via a contribution in aid of construction charge
4 that was created in Case No. WR-2007-0216. Public Counsel supported Staff's
5 recommendation in the prior rate case and currently believes that the issue is still
6 relevant in the instant case.

7
8 Q. DOES PUBLIC COUNSEL HAVE A SPECIFIC RECOMMENDATION FOR THE
9 COMMISSION'S CONSIDERATION AT THIS TIME?

10 A. Public Counsel does not have a specific proposal for the amount of the rate base
11 disallowance due to the fact that Public Counsel still has several data requests
12 outstanding whose response should help in identify the appropriate amount to
13 exclude from rate base. However, Public Counsel believes that the position
14 taken by Staff on the recovery of the expansion investment costs in the
15 Company's previous rate case is still appropriate.

16
17 VI. SECURITY ACCOUNTING AUTHORITY ORDER

18 Q. WHAT IS THE ISSUE?

19 A. Company proposes to include unamortized costs associated with a Security
20 Accounting Authority Order ("AAO") in the determination of rate base (i.e.,
21 \$1,397,046). Public Counsel recommends that the Commission not authorize

1 the inclusion of the unamortized Security AAO balance in rate base.

2 Furthermore, Public Counsel does not believe that the amount identified by the
3 Company is the actual balance at end of the test year or the known and
4 measureable period, twelve months ended October 2009, because it does not
5 reconcile to the balances shown in the Company's financial records or the
6 Commission authorized amortization period.

7
8 Q. WHAT IS THE UNAMORTIZED AAO BALANCE AS OF JUNE 30, 2009?

9 A. The Security AAO balance, as of June 30, 2009, is \$1,847,706 (source: MAWC
10 General Ledger).

11
12 Q. WHAT IS THE UNAMORTIZED AAO BALANCE AS OF OCTOBER 31, 2009?

13 A. The Security AAO balance, as of March 31, 2008, is \$1,667,442 (source: MAWC
14 General Ledger).

15
16 Q. DOES PUBLIC COUNSEL KNOW THE REASON FOR THE DIFFERENCE
17 IDENTIFIED BY COMPANY AND THE COMPANY'S GENERAL LEDGER?

18 A. No. However, I have sent a data request to Company and the response to the
19 interrogatory should help clarify the issue.

20

1 Q. DID THE COMMISSION ORDER IN CASE NO. WO-2002-273 AUTHORIZE
2 INCLUDING THE UNAMORTIZED SECURITY AAO BALANCE IN RATE BASE?

3 A. No. Other than providing for an amortization over a ten-year period, the
4 Commission did not authorize any ratemaking treatment of the costs deferred
5 pursuant to the Security AAO. On page 42 of the *Report and Order On Remand*
6 in Case No. WO-2002-273, it states:

7
8 4. That the application for an Accounting Authority Order filed
9 by Missouri-American Water Company and its predecessors
10 on December 10, 2001, is granted as further specified
11 herein.

12
13 5. That Missouri-American Water Company is hereby granted
14 authority to defer and book to Account 186 expenditures
15 relating to security improvements and enhancements
16 beginning September 11, 2001, and continuing through
17 September 11, 2003.

18
19 6. That Missouri-American Water Company shall, upon the
20 effective date of this Order, immediately begin the
21 amortization over a ten-year period of any amount deferred
22 under the authority granted in this order.

23
24 7. That nothing in this Order shall be considered a finding by
25 the Commission of the value or prudence for ratemaking
26 purposes of the properties, transactions and expenditures
27 herein involved. The Commission reserves the right to
28 consider any ratemaking treatment to be afforded the
29 properties, transactions and expenditures herein involved in
30 a later proceeding.

31
32 8. That this Report and Order on Remand shall become
33 effective on November 20, 2004.
34

1 (Emphasis by OPC.)
2
3

4 Q. WHY DOES PUBLIC COUNSEL OPPOSE THE COMPANY'S REQUEST FOR
5 RATE BASE TREATMENT OF THE UNAMORTIZED AAO BALANCE?

6 A. The rationale for OPC's position is that the Company is being given an effective
7 guaranteed "return of" the Security AAO deferred costs. It should not be allowed
8 to earn a "return on" those same costs.
9

10 Q. WHY WOULD IT BE INAPPROPRIATE FOR THE COMPANY TO EARN A
11 RETURN ON THE UNAMORTIZED SECURITY AAO BALANCE?

12 A. The rationale for not including the unamortized Security AAO balance in rate
13 base is grounded in the view that the AAO process allows the utility to recover
14 costs in future rates which under the guidance of normal ratemaking would have
15 been recorded as an expense in a prior period, thus lowering the utility's return
16 on equity in that period. The effect of the Security AAO is to increase historic
17 earnings and future cash flows. Including the unamortized balance in rate base
18 would create the situation of allowing the utility to achieve a return on equity
19 earnings from a prior period.
20

21 Furthermore, rates in Missouri are usually established based upon a historical
22 test period which focuses on four factors: 1) the rate of return the utility has an

1 opportunity to earn; 2) the rate base upon which a return may be earned; 3) the
2 depreciation expense related to plant and equipment; and 4) the allowable
3 operating expenses including income and other taxes. The security costs that
4 the Company was authorized to defer are already represented by each of those
5 four factors. What it seeks to gain by including the unamortized Security AAO
6 balance in rate base is an additional return on the remaining unamortized
7 balance.

8
9 Q. WHY SHOULD THE UTILITY NOT BE ALLOWED TO RECOVER THE
10 ADDITIONAL RETURN?

11 A. The Security AAO effectively eliminated the detrimental effects of the regulatory
12 lag Company's shareholders would have experienced absent its authorization.
13 That special accounting process, and ultimately ratemaking treatment, has
14 benefited shareholders enormously. Now, the utility requests authorization of an
15 additional return by implying that the unamortized Security AAO balance is an
16 asset, similar in nature to that of plant in service or a prepayment, that should be
17 included in the determination of rate base. However, it is Public Counsel's belief
18 that the unamortized Security AAO balance is not plant or a prepayment nor is it
19 like any other asset normally included in rate base. The unamortized Security
20 AAO balance is nothing more than the result of an abnormal accounting process
21 that capitalized various costs so as to protect Company's shareholders from the

1 detrimental effects of regulatory lag. Further, there is little precedent for allowing
2 the additional return requested.

3
4 Q. WOULD COMMISSION AUTHORIZATION OF THE COMPANY'S REQUEST BE
5 UNFAIR TO RATEPAYERS?

6 A. Yes. To my knowledge, I know of no instance where a utility that was
7 overearning came to the Commission and requested that it be allowed to refund
8 the excess earnings to ratepayers due to rates being set at an inappropriately
9 high level. The one-sided nature of the current AAO process is grossly unfair to
10 ratepayers. Thus, Public Counsel believes that a sharing of the effects of the
11 regulatory lag associated with the Security AAO is in the best interests of both
12 shareholders and ratepayers. In order to obtain a small measure of fairness, I
13 believe that Company should continue to include in expenses a level of costs
14 pursuant to the amortization period authorized, but that the Commission not
15 approve the Company's request for rate base treatment of the unamortized
16 Security AAO balance.

17
18 Q. DOES PUBLIC COUNSEL BELIEVE THAT ACCUMULATED DEFERRED
19 INCOME TAXES ("ADIT") ASSOCIATED WITH THE AMORTIZATION OF THE
20 SECURITY AAO BALANCE SHOULD BE INCLUDED AS AN OFFSET IN THE
21 DETERMINATION OF RATE BASE?

1 A. Yes.

2

3 Q. WHY DOES PUBLIC COUNSEL BELIEVE THAT THE ASSOCIATED ADIT
4 SHOULD BE TREATED AS AN OFFSET TO RATE BASE?

5 A. Accumulated deferred income taxes are ratepayer supplied funds and therefore
6 are properly included as an offset in the determination of rate base. This it true
7 regardless of any subsequent regulatory treatment of the original costs that gave
8 rise to deferred income taxes. That is, a regulator's decision on whether or not a
9 cost incurred by a utility warrants rate base treatment has no relationship to the
10 cash provided to it by ratepayers for deferred income taxes. A decision by the
11 Commission to deny inclusion in rate base of costs deferred pursuant to the
12 Security AAO does not change the fact that it is ratepayers which have provided
13 the funds to satisfy Company's tax requirements in conformance with the Internal
14 Revenue Service rules and regulations.

15

16 Q. PLEASE DESCRIBE DEFERRED INCOME TAXES AND WHY THEY ARE
17 TREATED AS AN OFFSET TO RATE BASE.

18 A. Deferred income taxes are the result of timing differences between when a
19 company deducts an expense on its tax return and when it deducts the expense
20 in its financial records (i.e., books and records utilized for ratemaking purposes).
21 In some cases the timing difference is permanent and in others, such as where

1 the utilization of accelerated depreciation occurs, it may have a temporary effect.

2 The Company's accumulated deferred tax reserve represents a prepayment of
3 income tax by ratepayers caused by the timing differences.

4
5 For example, because Company is allowed to deduct depreciation expense on
6 an accelerated basis for income tax purposes, depreciation expense deducted on
7 its income tax return is greater than depreciation expense used for ratemaking
8 purposes. This results in a book-tax timing difference and a deferral of future
9 income taxes is created (i.e., ratepayers fund the full amount of the tax liability;
10 however, due to tax law, Company gets to keep a portion of the ratepayer
11 provided funds to use for any purpose it deems desirable. These Company
12 "kept" funds will actually be paid by the Company to the taxing authority at a later
13 date - often years in the future). Thus, the credit balance booked in the
14 accumulated deferred income tax account represents a ratepayer-provided
15 source of cost-free funds to the utility. In the ratemaking process, rate base is
16 reduced by the ADIT balance to avoid having ratepayers pay a return on funds
17 that they have already provided cost-free to the Company.

18
19 Q. DOES PUBLIC COUNSEL BELIEVE THAT THE AMOUNT OF THE ANNUAL
20 AMORTIZATION INCLUDED IN COMPANY'S EXPENSE ACCOUNT IS
21 CORRECT?

1 A. No. There is a relatively small difference in the amount booked to the expense
2 account and the actual annual amount authorized by Commission. However, I
3 have sent a data request to Company and the response to the interrogatory
4 should help clarify the issue.

5
6 VII. COMPREHENSIVE PLANNING STUDY

7 Q. WHAT IS THE ISSUE?

8 A. It is my understanding that in late 2008 the American Water Works Company
9 ("AWWC") began a process to review its business systems and processes which
10 it expected would be completed and placed into service by the end of 2009.
11 MAWC, which is an affiliate of AWWC, is being allocated a portion of the costs
12 associated with the review and is booking the costs to a plant account which it
13 includes in rate base. Public Counsel opposes the inclusion of the allocated
14 costs (and any associated depreciation expense) in Company's rate base or
15 expenses for the determination of cost of service in the instant case.

16
17 Q. WHAT IS THE BALANCE THAT COMPANY HAS INCLUDED IN THE PLANT
18 ACCOUNT?

19 A. My review of the Company's General Ledger shows that as of the end of the test
20 year, June 2009, the balance booked was approximately \$983,674. However, as

1 of July 2009, the latest General Ledger information provided to OPC, the balance
2 booked is approximately \$841,599.

3
4 Q. DO THE AMOUNTS IDENTIFIED IN THE PRIOR Q&A RECONCILE TO
5 WORKPAPERS PROVIDED BY COMPANY TO SUPPORT IT RATE INCREASE
6 REQUEST?

7 A. No. However, as I stated before, the Company's General Ledger Public Counsel
8 reviewed does not show any entries in the plant account for August through
9 October 2009. Public Counsel has sent a data request to Company and the
10 response to the interrogatory should help clarify the issue of any differences that
11 may exist.

12
13 Q. WHY DOES PUBLIC COUNSEL OPPOSE THE INCLUSION OF THE
14 PROJECT'S COSTS IN COMPANY'S COST OF SERVICE?

15 A. The review being performed by AWWC is extensive and the total cost is
16 significant; therefore, a detailed review of the processes performed and a
17 complete audit of the actual costs incurred should occur before the Commission
18 provides authorization of any recovery of the costs from ratepayers. To initiate
19 such a review and audit, I sent the Company a data request, OPC DR No. 1101,
20 which sought information I believed necessary to begin the process. Company
21 did not object to the data request, but neither did it provide all the information

1 requested. Instead, Company's response provided only a limited amount of
2 support for the extensive total costs incurred and required that I review that
3 information at its attorney's office. Company has also indicated to OPC that it
4 would not provide copies of the cost information to OPC in a manner sufficient to
5 perform the necessary audit.

6
7 Q. DID YOUR REVIEW OF THE COST INFORMATION THAT COMPANY DID
8 PROVIDE INDICATE THAT AWWC IS ALLOCATING COSTS TO COMPANY
9 THAT LIKELY SHOULD NOT BE RECOVERED FROM MISSOURI
10 RATEPAYERS?

11 A. Yes. Although the information provided was limited in its detail and explanation, I
12 believe that a portion of the costs being allocated likely should not be recovered
13 from Missouri ratepayers.

14
15 Q. PLEASE SUMMARIZE PUBLIC COUNSEL'S POSITION ON THIS ISSUE.

16 A. Public Counsel recommends that the Commission disallow cost recovery for any
17 of the Comprehensive Planning Project costs until such time as the OPC and
18 MPSC Staff are provided with the information and support that would allow them
19 to complete a thorough review and audit of the project's purpose, processes,
20 implementation and actual costs incurred.

21

1 | Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

2 | A. Yes, it does.

**CASE PARTICIPATION
OF
TED ROBERTSON**

| <u>Company Name</u> | <u>Case No.</u> |
|--------------------------------------|-----------------|
| Missouri Public Service Company | GR-90-198 |
| United Telephone Company of Missouri | TR-90-273 |
| Choctaw Telephone Company | TR-91-86 |
| Missouri Cities Water Company | WR-91-172 |
| United Cities Gas Company | GR-91-249 |
| St. Louis County Water Company | WR-91-361 |
| Missouri Cities Water Company | WR-92-207 |
| Imperial Utility Corporation | SR-92-290 |
| Expanded Calling Scopes | TO-92-306 |
| United Cities Gas Company | GR-93-47 |
| Missouri Public Service Company | GR-93-172 |
| Southwestern Bell Telephone Company | TO-93-192 |
| Missouri-American Water Company | WR-93-212 |
| Southwestern Bell Telephone Company | TC-93-224 |
| Imperial Utility Corporation | SR-94-16 |
| St. Joseph Light & Power Company | ER-94-163 |
| Raytown Water Company | WR-94-211 |
| Capital City Water Company | WR-94-297 |
| Raytown Water Company | WR-94-300 |
| St. Louis County Water Company | WR-95-145 |
| United Cities Gas Company | GR-95-160 |
| Missouri-American Water Company | WR-95-205 |
| Laclede Gas Company | GR-96-193 |
| Imperial Utility Corporation | SC-96-427 |
| Missouri Gas Energy | GR-96-285 |
| Union Electric Company | EO-96-14 |
| Union Electric Company | EM-96-149 |
| Missouri-American Water Company | WR-97-237 |
| St. Louis County Water Company | WR-97-382 |
| Union Electric Company | GR-97-393 |
| Missouri Gas Energy | GR-98-140 |
| Laclede Gas Company | GR-98-374 |
| United Water Missouri Inc. | WR-99-326 |
| Laclede Gas Company | GR-99-315 |
| Missouri Gas Energy | GO-99-258 |
| Missouri-American Water Company | WM-2000-222 |
| Atmos Energy Corporation | WM-2000-312 |
| UtiliCorp/St. Joseph Merger | EM-2000-292 |
| UtiliCorp/Empire Merger | EM-2000-369 |
| Union Electric Company | GR-2000-512 |
| St. Louis County Water Company | WR-2000-844 |
| Missouri Gas Energy | GR-2001-292 |
| UtiliCorp United, Inc. | ER-2001-672 |
| Union Electric Company | EC-2002-1 |
| Empire District Electric Company | ER-2002-424 |

**CASE PARTICIPATION
OF
TED ROBERTSON**

| Company Name | Case No. |
|-------------------------------------|-----------------|
| Missouri Gas Energy | GM-2003-0238 |
| Aquila Inc. | EF-2003-0465 |
| Aquila Inc. | ER-2004-0034 |
| Empire District Electric Company | ER-2004-0570 |
| Aquila Inc. | EO-2005-0156 |
| Aquila, Inc. | ER-2005-0436 |
| Hickory Hills Water & Sewer Company | WR-2006-0250 |
| Empire District Electric Company | ER-2006-0315 |
| Central Jefferson County Utilities | WC-2007-0038 |
| Missouri Gas Energy | GR-2006-0422 |
| Central Jefferson County Utilities | SO-2007-0071 |
| Aquila, Inc. | ER-2007-0004 |
| Laclede Gas Company | GR-2007-0208 |
| Kansas City Power & Light Company | ER-2007-0291 |
| Missouri Gas Utility, Inc. | GR-2008-0060 |
| Empire District Electric Company | ER-2008-0093 |
| Missouri Gas Energy | GU-2007-0480 |
| Stoddard County Sewer Company | SO-2008-0289 |
| Missouri-American Water Company | WR-2008-0311 |
| Union Electric Company | ER-2008-0318 |
| Aquila, Inc., d/b/a KCPL GMOC | ER-2009-0090 |
| Missouri Gas Energy | GR-2009-0355 |
| Empire District Gas Company | GR-2009-0434 |
| Lake Region Water & Sewer Company | SR-2010-0110 |
| Lake Region Water & Sewer Company | WR-2010-0111 |
| Missouri-American Water Company | WR-2010-0131 |