

Exhibit No.: \_\_\_\_\_  
Issue(s): Class Cost of Service, Rate Design, Service Fees,  
Tariff Issues, & Revenue Imputation  
Witness/Type of Exhibit: Meisenheimer/Rebuttal  
Sponsoring Party: Public Counsel  
Case No.: WR-2010-0131

**REBUTTAL TESTIMONY**

**OF**

**BARBARA A. MEISENHEIMER**

Submitted on Behalf of  
the Office of the Public Counsel

**MISSOURI AMERICAN WATER COMPANY**

**Case No. WR-2010-0131**

April 15, 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 BARBARA A. MEISENHEIMER**

STATE OF MISSOURI     )  
  )    ss  
COUNTY OF COLE     )

Barbara A. Meisenheimer, of lawful age and being first duly sworn, deposes and states:

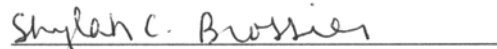
1. My name is Barbara A. Meisenheimer. I am a Chief Utility Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached affidavit are true and correct to the best of my knowledge and belief.

  
Barbara A. Meisenheimer

Subscribed and sworn to me this 15<sup>th</sup> day of April 2010.



**SHYLAH C. BROSSIER**  
My Commission Expires  
June 8, 2013  
Cole County  
Commission #09812742

  
Shylah C. Brossier  
Notary Public

My commission expires June 8<sup>th</sup>, 2013.

**REBUTTAL TESTIMONY**  
**OF**  
**BARBARA A. MEISENHEIMER**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WR-2010-0131**

1     ***I. Introduction***

2     **Q.     PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

3     A.     Barbara Meisenheimer, Chief Economist, Office of the Public Counsel, P. O. Box  
4           2230, Jefferson City, Missouri 65102.

5     **Q.     HAVE YOU TESTIFIED PREVIOUSLY IN THIS CASE?**

6     A.     Yes, I submitted direct testimony on the issues of district class cost of service and  
7           rate design for the Missouri American Water Company (MAWC or the Company)  
8           on March 26, 2010.

9     **Q.     WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

10    A.     The purpose of my rebuttal testimony is to present Office of the Public Counsel  
11           (OPC or Public Counsel)'s updated Class Cost of Service (CCOS) studies and rate  
12           design recommendations. I will also respond to the direct testimony of the Public  
13           Service Commission Staff (Staff), the Company, and the City of St. Joseph.

1 ***II. Updated Class Cost of Service Study Results and Rate Design***

2 **Q. PLEASE EXPLAIN THE CHANGES YOU HAVE MADE TO THE CLASS COST OF**  
3 **SERVICE STUDIES FILED IN YOUR DIRECT TESTIMONY.**

4 A. The CCOS studies that I filed in direct testimony were based on Company and  
5 Staff provided accounting data, demand data and billing determinants. I have  
6 updated my studies to reflect updated accounting data received from the Staff. I  
7 have also corrected and updated the St. Joseph Industrial class revenues to reflect  
8 a revenue imputation for special contract customers. Thus far in this case, I have  
9 only used a revenue imputation for special contract customers in the St. Joseph  
10 district for the purpose of determining revenue neutral shifts between customer  
11 classes, not for the purpose of determining district revenue requirement. I  
12 addressed the need for an imputation to determine St. Joseph's revenue  
13 requirement later in this testimony.

14 **Q. PLEASE EXPLAIN THE NEED FOR A REVENUE IMPUTATION TO ADJUST THE**  
15 **INDUSTRIAL CLASS FOR SPECIAL CONTRACT REVENUES FOR PURPOSES OF**  
16 **DETERMINING REVENUE NEUTRAL SHIFTS WITHIN THE ST. JOSEPH DISTRICT.**

17 A. Special contract customers' actual water use and actual discounted revenues are  
18 reflected in the Industrial class costs and revenues reported in the Staff and  
19 Company accounting data. However, special contract customers take service  
20 under discounted contract rates. The impact on CCOS studies of including actual  
21 use but only the discounted revenues result in the entire Industrial class appearing  
22 to have revenues misaligned with costs. By imputing revenues equal to the  
23 difference between the revenues that would be generated under regular Industrial

1 rates and the revenues collected under the special contract, the discount given to  
2 special contract customers will not adversely affect the Industrial class with  
3 respect to determining revenue neutral class shifts within the St. Joseph district.

4 **Q. HAVE YOU UPDATED THE SCHEDULES AND TABLES THAT WERE SUBMITTED IN**  
5 **YOUR DIRECT TESTIMONY TO REFLECT YOUR UPDATED CCOS STUDIES?**

6 A. Yes. Schedule BAM-REB 1 provides a detailed summary of the updated results of  
7 my study for each district. The most significant change to my studies was a  
8 correction to the special contract revenue reflected in the St. Joseph Industrial  
9 customer class. I also corrected the calculation of the maximum revenue neutral  
10 shifts in some districts. The tables that follow reflect the resulting changes to the  
11 tables that appeared in my direct testimony. Table 1 illustrates each customer  
12 class's share of cost and the class's share of revenue if costs were based on an  
13 equalized rate of return:

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**TABLE 1**

Percentage of Current Cost at Equalized Return and Percentage of Current Rate Revenue by Customer Class							
	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER PUBLIC AUTHORITY	SALES FOR RESALE	PRIVATE FIRE SERVICE
Jefferson City	Cost %	51.55%	28.83%	9.78%	8.22%		1.62%
	Revenue %	51.84%	27.71%	10.02%	7.64%		2.80%
Brunswick	Cost %	55.51%	17.70%	0.12%	2.36%	24.11%	0.19%
	Revenue %	56.47%	17.08%	0.57%	2.59%	20.24%	3.05%
Joplin	Cost %	47.71%	22.84%	18.29%	3.22%	4.74%	3.21%
	Revenue %	49.55%	20.75%	20.80%	2.80%	3.35%	2.74%
Mexico	Cost %	47.57%	13.94%	14.99%	7.06%	14.04%	2.40%
	Revenue %	47.95%	13.78%	15.36%	7.04%	11.98%	3.89%
Parkville	Cost %	67.42%	20.15%	0.80%	1.69%	6.63%	3.32%
	Revenue %	69.04%	22.01%	0.41%	1.17%	4.41%	2.96%
St. Joseph	Cost %	44.45%	15.69%	25.70%	3.25%	10.22%	0.69%
	Revenue %	46.13%	17.72%	22.35%	3.47%	9.21%	1.12%
Warrensburg	Cost %	58.55%	15.39%	2.23%	11.53%	9.02%	3.28%
	Revenue %	54.65%	19.82%	2.48%	12.28%	8.02%	2.75%
		RES COM OPA Rate A & K	INDUSTRIAL Rate J	OTHER WATER UTILITIES Rate B, G & H			PRIVATE FIRE Rate E & F
St Louis	Cost %	92.72%	3.43%	1.92%			1.93%
	Revenue %	91.27%	4.24%	3.29%			1.19%

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Table 2 illustrates the percentage change in rate revenue necessary to achieve an equalized return:

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**TABLE 2**

Revenue Neutral Shift to Equalize Current Rate of Return by Customer Class							
	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER PUBLIC AUTHORITY	SALES FOR RESALE	PRIVATE FIRE SERVICE
Jefferson City	Shift %	-0.55%	4.07%	-2.42%	7.58%		-42.19%
Brunswick	Shift %	-1.69%	3.67%	-78.32%	-8.83%	19.12%	-93.84%
Joplin	Shift %	-3.72%	10.05%	-12.07%	14.82%	41.39%	16.93%
Mexico	Shift %	-0.80%	1.16%	-2.40%	0.30%	17.26%	-38.38%
Parkville	Shift %	-2.35%	-8.46%	94.69%	44.26%	50.28%	12.24%
St. Joseph	Shift %	-3.65%	-11.46%	14.97%	-6.12%	10.99%	-38.48%
Warrensburg	Shift %	7.14%	-22.33%	-9.98%	-6.16%	12.47%	19.28%
		RES COM OPA Rate A & K	INDUSTRIAL Rate J	SALE FOR RESALE Rate B, G & H			PRIVATE FIRE Rate E & F
St Louis	Shift %	1.58%	-19.11%	-41.72%			62.04%

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**Q. HAS PUBLIC COUNSEL'S PRELIMINARY RATE DESIGN RECOMMENDATION CHANGED?**

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A. No. I continue to recommend that the Commission move customer classes toward district specific cost of service by first implementing a revenue neutral shift among classes and second spreading any net increase or decrease in district revenue to the classes as an equal percentage. I also recommend that the Commission cap class increases resulting from revenue neutral shifts in order to mitigate the combined impact of a large district increase coupled with interclass increases. For example, Table 3 illustrates the revenue neutral shifts that would result from capping revenue neutral increases to 5% of a class's current revenue:

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**TABLE 3**

Proposed Maximum Revenue Neutral Shift by Customer Class							
	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER PUBLIC AUTHORITY	SALES FOR RESALE	PRIVATE FIRE SERVICE
Jefferson City	Shift %	-0.27%	2.04%	-1.21%	3.79%		-21.09%
Brunswick	Shift %	-0.50%	1.83%	-23.08%	-2.60%	5.00%	-27.65%
Joplin	Shift %	-1.27%	5.00%	-4.11%	5.00%	5.00%	5.00%
Mexico	Shift %	-0.25%	0.58%	-0.73%	0.15%	5.00%	-11.77%
Parkville	Shift %	-0.30%	-1.09%	5.00%	5.00%	5.00%	5.00%
St. Joseph	Shift %	-1.32%	-4.15%	5.00%	-2.22%	5.00%	-13.93%
Warrensburg	Shift %	3.57%	-10.23%	-4.57%	-2.82%	5.00%	5.00%
		RES COM OPA Rate A & K	INDUSTRIAL Rate J	SALE FOR RESALE Rate B, G & H			PRIVATE FIRE Rate E & F
St Louis	Shift %	0.79%	-6.84%	-14.93%			5.00%

Under my recommendation, each customer class would be adjusted by the revenue neutral shown in Table 3 and then by the net percentage increase or decrease approved by the Commission for the class's district.

**Q. HAVE YOU DETERMINED A LEVEL OF COSTS THAT COULD REASONABLY BE RECOVERED IN THE CUSTOMER CHARGE?**

A. Yes. Table 4 identifies a level of costs for the Residential and Small Commercial classes that could reasonably be recovered in the customer charge:



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**Table 4**

Class Cost of Service Study Customer Charge Cost				
	RESIDENTIAL (Monthly)	RESIDENTIAL (Quarterly)	COMMERCIAL (Monthly)	COMMERCIAL (Quarterly)
Jefferson City	\$ 3.96	\$ 11.87	\$ 6.71	\$ 20.13
Brunswick	\$ 13.20	\$ 39.61	\$ 14.90	\$ 44.71
Joplin	\$ 7.01	\$ 21.02	\$ 9.39	\$ 28.18
Mexico	\$ 9.61	\$ 28.83	\$ 12.19	\$ 36.56
Parkville	\$ 8.18	\$ 24.53	\$ 18.24	\$ 54.71
St. Joseph	\$ 4.64	\$ 13.92	\$ 6.49	\$ 19.46
Warrensburg	\$ 6.69	\$ 20.06	\$ 8.13	\$ 24.40
	RES COM OPA Rate A & K (Monthly)	RES COM OPA Rate A & K (Quarterly)		
St Louis	\$ 3.05	\$ 9.14		

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**Q. THE STAFF PROPOSES TO ADJUST CLASS REVENUES WITHIN DISTRICTS TO THE LEVELS REFLECTED IN THE STAFF’S CLASS COST OF SERVICE STUDIES. DO YOU AGREE?**

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A. No. The Staff’s proposal would result in huge shifts between classes. My recommendation to cap the revenue neutral shift at 5% would help to mitigate such impacts.

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1       **Q.     WITH A FEW EXCEPTIONS, THE COMPANY AND STAFF PROPOSE THAT DISTRICT**  
2       **REVENUE BE SET AT A LEVEL THAT RECOVERS DISTRICT COSTS. DO YOU AGREE?**

3       A.     I would generally agree that district revenues should be aligned with district costs.  
4       However, the Company proposes to to provide inter-district support of over two  
5       million dollars flowing from the Metro St. Louis district. The water districts that  
6       would receive support are the Warren County, Brunswick and Parkville districts.  
7       The Staff proposes to provide support to the Warren County and Brunswick water  
8       districts.

9               Public Counsel is aware of the ongoing concerns regarding inter-district  
10       support flows and proposed a plan in WR-2009-0311 to eliminate the support  
11       flows. Public Counsel would again support a phase-in of the needed district  
12       increases over a finite period. Based on Staff accounting data, Warren County  
13       Water district's rates would need to increase by 65% and Brunswick's rates would  
14       need to increase by 95% to align district revenues and district costs. I recommend  
15       that the Commission adopt a three-year phase-in for Warren County Water and  
16       Brunswick, with carrying costs to be paid by the respective district to the  
17       Company at a rate equal to the Company's Allowance for Funds Used During  
18       Construction (AFUDC) rate. The phase-in could be structured to collect 50% of  
19       district deficiencies in the first year, with the balance and carrying costs to be  
20       recovered in approximately equal amounts in the remaining years.

1       **Q.     BASED ON THE CCOS RESULTS, DO YOU AGREE WITH PARTIES THAT PROPOSE**  
2       **INCREASES IN THE CUSTOMER CHARGES?**

3       A.     No. The fixed monthly customer charge is usually associated with customer  
4       related costs defined as those costs directly related to the number of customers.  
5       My class cost of service studies identify the investments and expenses directly  
6       related to the number of customers by class as including meters, services,  
7       operations and maintenance, and depreciation expenses related to meters and  
8       services, meter reading and arguably some portion of customer records expense.  
9       Based on my studies, the Company and Staff customer charge proposals far  
10      exceed costs. In addition, the Company proposal for uniform customer charges is  
11      inconsistent with the variation in actual customer related costs by district. I  
12      encourage the Commission to reject both the Company and Staff proposals to  
13      increase the residential and small commercial customer charges and instead to  
14      adopt the charges presented in this testimony.

15      **Q.     DOES PUBLIC COUNSEL SUPPORT THE STAFF PROPOSAL TO ELIMINATE**  
16      **DECLINING BLOCK RATES?**

17      A.     Although Public Counsel recognizes the elimination of declining block rates as an  
18      important tool in promoting resource conservation, full movement to uniform  
19      block rates in this case is likely to result in substantial bill impacts for many  
20      customers. Public Counsel recommends that any such movement be moderate  
21      and based on a case by case consideration of the bill impacts that would result.

1 ***III. Miscellaneous Service Fees***

2 **Q. PLEASE RESPOND TO THE MISCELLANEOUS TARIFF RATES PROPOSED BY THE**  
3 **COMPANY.**

4 A. The Company proposes to create uniform miscellaneous charges that would apply  
5 to all districts. While Public Counsel does not oppose uniform miscellaneous  
6 charges when the cost of providing the miscellaneous service is similar across  
7 districts, my review of cost data provided by the Company indicates that there are  
8 significant cost differences between certain districts. For example, the cost of  
9 labor is higher for the St. Louis district than for the more rural districts. This  
10 causes the relative cost of providing miscellaneous services to be higher for the St.  
11 Louis district.

12 As an alternative to the Company's proposed uniform rates that do not  
13 sufficiently reflect cost differences, it would be more appropriate to establish a set  
14 of miscellaneous service rates that would apply to the St. Louis Metro district and  
15 Warren County Water district and a different set of miscellaneous service fees that  
16 would apply to all other water districts.

17 **Q. SHOULD THERE BE A UNIFORM FEE FOR WATER USAGE FROM A COMPANY**  
18 **HYDRANT?**

19 A. No. The cost data provided by the Company indicates that these costs tend to vary  
20 substantially by district. Public Counsel opposes adopting a uniform fee for this  
21 miscellaneous service.

1       **Q.     HAVE YOU ATTACHED A SCHEDULE THAT ILLUSTRATES MISCELLANEOUS**  
2       **SERVICE COSTS BY DISTRICT AND PROVIDES A COMPARISON OF THE COMPANY’S**  
3       **PROPOSED MISCELLANEOUS RATES TO RATES ACCEPTABLE TO PUBLIC**  
4       **COUNSEL?**

5       A.     Yes. The top section of Schedule BAM REB-2 illustrates MAWC’s estimated  
6       miscellaneous service costs by district. The lower section compares the  
7       Company’s proposed miscellaneous service rates to alternative rates supported by  
8       Public Counsel. The alternative rates allow the Company a significant level of  
9       service fee consolidation while maintaining service fee differentials where costs  
10      warrant the differentials.

11      **Q.     SHOULD THERE BE LIMITATIONS ON APPLICATION OF THE COMPANY’S HYDRANT**  
12      **INSPECTION AND METER TESTING FEES?**

13      A.     Yes. These fees should be applied only if the customer requests inspection or  
14      testing and only if no problem with the hydrant or meter exists.

15      ***IV. Other Tariff Issues***

16      **Q.     PLEASE RESPOND TO THE TESTIMONY OF COMPANY WITNESS MR. WEEKS WHICH**  
17      **OUTLINES THE COMPANY’S PROPOSAL TO SERVE CUSTOMERS THAT HAVE HAD**  
18      **MORE THAN ONE NFS IN A 12-MONTH PERIOD ON A “CASH ONLY” BASIS.**

19      A.     Public Counsel opposes this proposed condition of service primarily because there  
20      is no reasonable time limit on how long a customer would be subject to payment  
21      on a cash only basis. Under the Company’s proposal a customer facing a few  
22      months of difficulty in meeting financial obligations might be forced to make cash  
23      payments for as long as the customer takes service from MAWC. This is

1 inconsistent with other terms related to failed or late payment. For example,  
2 customers with a history of disconnection may be required to post a deposit but  
3 the deposit requirement can be lifted following 12 months of timely payments.

4 **Q. DOES PUBLIC COUNSEL SHARE THE CITY OF ST. JOSEPH'S CONCERNS REGARDING**  
5 **THE COMPANY'S PROPOSALS FOR MORE ONEROUS MAINS AND SERVICES**  
6 **EXTENSION POLICIES?**

7 A. Yes. For at least some districts the revised tariffs appear to shift costs and  
8 responsibility to customers. The tariffs also appear to grant the Company  
9 additional discretion in setting rates by removing rates that had previously  
10 appeared in certain tariffs. Public Counsel agrees with the City of St. Joseph that  
11 such changes can impede economic development and may diminish the  
12 ubiquitous availability of service. The proposed changes should be denied.

13 **Q. DOES PUBLIC COUNSEL SHARE THE CITY OF ST. JOSEPH'S CONCERN REGARDING**  
14 **THE PROPOSED LANGUAGE APPEARING ON TARIFF SHEET 52?**

15 A. Yes. Public Counsel is also concerned that the proposed language attempts to  
16 supersede Municipal and County authority and therefore, agrees it should be  
17 rejected.

18 **Q. DOES PUBLIC COUNSEL SUPPORT THE COMPANY'S PROPOSAL FOR A LOW-**  
19 **INCOME RATE DELIVERED AS A DISCOUNT TO THE CUSTOMER CHARGE?**

20 A. Not at this time. The Company's proposal includes a 35% reduction in the  
21 residential customer charge. However, Public Counsel is concerned the Company  
22 has not demonstrated that the proposal is likely to provide support in relation to  
23 need and has not quantified the potential impact of such a proposal. The

1           Company has also not specified how and from whom the cost of the program  
2           would be recovered. Public Counsel is willing to participate in a working group  
3           directed to develop information and to discuss this and additional options (such as  
4           lowering the overall customer charge or water conservation programs which may  
5           provide similar results) for consideration in MAWC's next rate case.

6           ***V. Revenue Imputation to Determine the St. Joseph Revenue***  
7           ***Requirement***

8           **Q.     WHAT LEVEL OF REVENUE DO THE STAFF AND COMPANY ACCOUNTING**  
9           **SCHEDULES CURRENTLY REFLECT FOR TRIUMPH FOODS?**

10          A.     The Staff and Company accounting schedules reflect the discounted revenue  
11          collected from Triumph Foods.

12          **Q.     WHAT IS THE REVENUE IMPACT OF THE DISCOUNT AFFORDED TRIUMPH FOODS?**

13          A.     According to Company calculations, the difference between the full industrial  
14          tariff rate revenue and the Triumph Foods discounted contract revenue for the  
15          period April 2009 through March 2010, is \*\* \_\_\_\_\_ \*\*. Both the  
16          Company and Staff have determined that the revenue collected from customers in  
17          the St. Joseph district is less than the cost of service. Imputation of some or all of  
18          the discounted revenues associated with the Triumph Foods special contract  
19          would help to offset a potential increase for other customers in the district.

1       **Q.     HAS PUBLIC COUNSEL ARGUED IN THE PAST THAT AN IMPUTATION OF SOME**  
2           **TRIUMPH FOODS’ SPECIAL CONTRACT REVENUE SHOULD ALSO BE USED TO**  
3           **REDUCE THE REVENUE REQUIREMENT FOR THE ST. JOSEPH DISTRICT?**

4       A.     Yes.   In Case No. WR-2008-0311 Public Counsel argued that the revenue  
5           requirement for the St. Joseph District should be reduced by the discount granted  
6           to Triumph Foods.  The issue of district revenues was settled in Case No. WR-  
7           2008-0311 so the Commission made no determination on the proposed revenue  
8           imputation in that case.

9       **Q.     DID PUBLIC COUNSEL REQUEST A REVIEW OF THE TRIUMPH FOODS CONTRACT?**

10      A.     Yes.   In Case No. WO-2009-0303, Public Counsel filed a request for the  
11           Commission to review the contract, originally authorized in File No. WT-2004-  
12           0192, between Missouri-American Water Company and Premium Pork, L.L.C..  
13           However, the Commission found that Triumph had not received the five-year  
14           benefit contemplated by the contract and that Public Counsel’s request was  
15           premature.  Further, the Commission found that the earliest the Commission could  
16           take any action with regard to the contract would be when MAWC’s files its next  
17           general rate increase request.

18      **Q.     IS THIS CASE MAWC'S NEXT GENERAL RATE CASE?**

19      A.     Yes.

20



1 Q. DOES PUBLIC COUNSEL AGAIN REQUEST THAT THE COMMISSION REVIEW THE  
2 TRIUMPH FOODS CONTRACT?

3 A. Yes.

4 Q. WHAT IS THE MAXIMUM TERM OF THE TRIUMPH FOODS CONTRACT?

5 A. The maximum term of the contract is \*\* \_\_\_\_\_ \*\* years.

6 Q. DID THE ORIGINAL CONTRACT ENVISION THAT THE COMMISSION MIGHT REVISIT  
7 THE APPROPRIATENESS OF THE SPECIAL CONTRACT DISCOUNT GRANTED TO  
8 TRIUMPH FOODS?

9 A. Yes. The special contract entered into on September 3, 2003, as amended October  
10 8, 2003, recognizing that the contract was intended to be in effect for more than  
11 10 years, acknowledged that the Commission Staff or Public Counsel could  
12 request or on its own motion the Commission could review the continued  
13 appropriateness of the discounted rate after the first 5 years of the contract. If  
14 upon review the contract was found to no longer serve the public interest, the rate  
15 could be modified or the contract could be terminated by the Commission to  
16 restore the interests of the Company's other customers.

17 Q. HAS TRIUMPH FOODS OR ITS PREDECESSOR PREMIUM PORK TAKEN SERVICE AT  
18 THE CONTRACT RATE FOR MORE THAN 5 YEARS?

19 A. Yes. Based on billing records received from MAWC in response to Public  
20 Counsel Data Request 2016, it appears that Triumph Foods was first charged for  
21 service at the contract rate in the bill issued on \*\* \_\_\_\_\_ \*\*.

1       **Q.     WHY DOES PUBLIC COUNSEL BELIEVE THAT THE TRIUMPH FOODS CONTRACT**  
2       **SHOULD BE REVIEWED?**

3       A.     The majority of the revenues generated from Triumph under the contract are  
4       associated with the discounted volumetric rate. Triumph is allowed a current  
5       volumetric rate of only \*\* \_\_\_\_\_\*\* per CCF. This compares to normal industrial  
6       block rates faced by other customers that range from \$4.5487 per CCF for the  
7       initial use block down to \$1.2555 per CCF for the highest use block. In addition to  
8       evaluating if Triumph's discounted rate is fair in light of the fact that it is \*\* \_\_\_\_  
9       \_\_\_\_\_\*\* of the lowest normal rate paid by other industrial customers, it is also  
10      reasonable to evaluate if the rate adjustments contained in the contract are keeping  
11      pace with the increased costs of providing service under the contract. Schedule  
12      BAM REB-3-HC provides a comparison of the variable costs and contract rate at  
13      the onset of the contract verses the current costs and contract rate. As illustrated  
14      in the comparison while the costs have increased by almost 56% the contract rate  
15      has increased by less than 25%. If the costs continue to increase as projected by  
16      the Company and the contract rate continues to grow at the average rate of growth,  
17      the disparity will increase to a 121% increase in costs compared to only a 43%  
18      increase in the rate by the year 2011. At some point over the term of the contract  
19      the variable cost may exceed the contract rate potentially resulting in Triumph  
20      making no contribution to the fixed costs of the system. This result would be  
21      directly contrary to the reasoning that was initially used to justify the contract. In  
22      File No. WT-2004-0192 the Commission found that;

23                     The record also shows, and the Commission finds, that the  
24                     proposed Special Service Contract provides for a reasonable  
25                     contribution toward "all other costs associated with the  
26                     provision of service" and that this contribution will constitute  
27                     a benefit to the other customers of the St. Joseph district

1                   because it will serve to reduce the revenue requirement of the  
2                   district as a whole. No other customer's rates will increase  
3                   because this Special Service Contract is approved. No  
4                   detriments to either the state of Missouri or to the other water  
5                   service customers in the St. Joseph district have been  
6                   identified. (Emphasis added.)

7                   **Q.       WHAT OPTIONS ARE AVAILABLE TO THE COMMISSION TO ENSURE THAT OTHER**  
8                   **RATEPAYERS ARE NOT UNFAIRLY REQUIRED TO SUPPORT OR SUBSIDIZE**  
9                   **TRIUMPH'S EXTREMELY LOW RATE?**

10                  A.       Upon review, the Commission may terminate the contract or adjust the rate in a  
11                  manner that restores the public interest.

12                  **Q.       DOES TRIUMPH FOODS APPEAR TO BE MEETING OTHER PROVISIONS OF THE**  
13                  **CONTRACT?**

14                  A.       Currently Triumph Foods appears to meet many of the terms of the contract such  
15                  as the required share of district water use and the load factor requirement.  
16                  Triumph also appears to be meeting non-contract related commitments related to  
17                  economic growth and community involvement.

18                  **Q.       DO YOU RESERVE THE RIGHT TO SUBMIT ADDITIONAL TESTIMONY ON THESE**  
19                  **ISSUES?**

20                  A.       Yes, Public Counsel is still reviewing data request responses on these issues  
21                  recently received from Triumph Foods and may file supplemental rebuttal  
22                  testimony on the Triumph Foods special contract issues.

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A. Yes.

Office of the Public Counsel  
 MAWC Class Cost of Service Summary

St. Louis Metro District

CLASS COST OF SERVICE SUMMARY:		TOTAL	RATE A & K	RATE J	RATE B, G & H	PRIVATE FIRE SERVICE	PUBLIC FIRE SERVICE
1	O & M Expenses	83,804,609	73,346,752	2,917,205	2,378,153	846,593	4,315,905
2	Depreciation Expenses TOIT Def Tax Exp	41,256,073	31,678,592	1,155,496	445,701	1,147,536	6,828,748
3	Current Income Taxes	1,466,433	1,111,750	38,887	11,093	45,344	259,358
4	TOTAL Expenses and Taxes	126,527,115	106,137,094	4,111,588	2,834,947	2,039,474	11,404,011
5							
6	Spread of fire expenses & taxes to others	11,404,011	11,077,377	326,634	0	0	(11,404,011)
7	TOTAL Expenses and Taxes after Spread	126,527,115	117,214,472	4,438,223	2,834,947	2,039,474	
8							
9	Current Revenue						
10	Rate Revenue	160,203,658	138,437,377	6,575,183	5,276,288	1,913,595	8,001,215
11	Other Revenue	1,459,327	1,345,630	54,149	43,982	15,566	0
12	Spread of fire revenue to others	8,001,215	7,772,044	229,171	0	0	0
13	TOTAL Current Revenues	161,662,985	147,555,050	6,858,503	5,320,271	1,929,161	0
14	Current Revenue Percentage	100.00%	91.27%	4.24%	3.29%	1.19%	0.00%
15							
16	Net OPERATING INCOME	35,135,870	30,340,579	2,420,281	2,485,324	(110,313)	0
17							
18	TOTAL Rate Base	529,972,235	401,789,095	14,053,985	4,009,052	16,387,388	93,732,715
19							
20	Spread of fire rate base to others	93,732,715	91,048,018	2,684,697	0	0	(93,732,715)
21	TOTAL Rate Base after Spread	529,972,235	492,837,113	16,738,682	4,009,052	16,387,388	
22							
23	Implicit Rate of Return (ROR)	6.63%	6.16%	14.46%	61.99%	-0.67%	
24							
25	Net Operating Income with Equalized ROR	35,135,870	32,673,902	1,109,734	265,790	1,086,444	
26							
27	Class COS with Equalized ROR	161,662,985	149,888,374	5,547,956	3,100,737	3,125,918	
28	Current Class COS Percentage	100.00%	92.72%	3.43%	1.92%	1.93%	
29							
30	Net Operating Income with Equalized ROR	35,135,870	32,673,902	1,109,734	265,790	1,086,444	
31	Revenue Neutral Shift to Equalize Class ROR	(0)	2,333,323	(1,310,547)	(2,219,534)	1,196,757	
32	Revenue Increase/Decrease % of Current Revenue	0.00%	1.58%	-19.11%	-41.72%	62.04%	

Office of the Public Counsel  
 MAWC Class Cost of Service Summary

Warrensburg District

CLASS COST OF SERVICE SUMMARY:		TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER PUBLIC AUTHORITY	SALES FOR RESALE	PRIVATE FIRE SERVICE	PUBLIC FIRE SERVICE
1	O & M Expenses	1,422,020	769,385	188,767	30,294	141,262	128,064	33,088	131,159
2	Depreciation Expenses	1,021,935	472,339	142,940	20,553	103,777	91,811	37,857	152,658
3	TOIT Def Tax Exp	215,386	96,273	29,954	4,286	22,038	19,501	8,518	34,816
4	Current Income Taxes								
5	TOTAL Expenses and Taxes	2,659,341	1,337,997	361,661	55,133	267,077	239,377	79,463	318,632
6	Spread of fire expenses & taxes to others	318,632	239,216	40,793	4,406	34,216		0	(318,632)
7	TOTAL Expenses and Taxes after Spread	2,659,341	1,577,213	402,454	59,539	301,294	239,377	79,463	
8									
9	Current Revenue								
10	Rate Revenue	3,768,717	2,056,034	750,430	93,465	463,838	300,827	104,122	0
11	Other Revenue	69,529	41,504	10,271	1,661	7,599	6,908	1,586	0
12	Spread of fire revenue to others	0	0	0	0	0	0	0	0
13	TOTAL Current Revenues	3,838,246	2,097,538	760,701	95,126	471,437	307,735	105,708	0
14	Current Revenue Percentage	100.00%	54.65%	19.82%	2.48%	12.28%	8.02%	2.75%	0.00%
15									
16	Net OPERATING INCOME	1,178,905	520,325	358,247	35,587	170,143	68,358	26,245	0
17									
18	TOTAL Rate Base	15,304,068	6,840,570	2,128,351	304,529	1,565,911	1,385,660	605,228	2,473,818
19									
20	Spread of fire rate base to others	2,473,818	1,857,244	316,712	34,211	265,652	0	0	(2,473,818)
21	TOTAL Rate Base after Spread	15,304,068	8,697,814	2,445,063	338,739	1,831,563	1,385,660	605,228	
22									
23	Implicit Rate of Return (ROR)	7.70%	5.98%	14.65%	10.51%	9.29%	4.93%	4.34%	
24									
25	Net Operating Income with Equalized RC	1,178,905	670,011	188,348	26,094	141,089	106,740	46,622	
26									
27	Class COS with Equalized ROR	3,838,246	2,247,224	590,803	85,633	442,383	346,117	126,085	
28	Current Class COS Percentage	100.00%	58.55%	15.39%	2.23%	11.53%	9.02%	3.28%	
29									
30	Net Operating Income with Equalized ROR	1,178,905	670,011	188,348	26,094	141,089	106,740	46,622	
31	Revenue Neutral Shift to Equalize Class ROR	(0)	149,686	(169,898)	(9,493)	(29,054)	38,382	20,377	
32	Revenue Increase/Decrease % of Current Revenue	0.00%	7.14%	-22.33%	-9.98%	-6.16%	12.47%	19.28%	

Office of the Public Counsel  
 MAWC Class Cost of Service Summary

**Brunswick District**

CLASS COST OF SERVICE SUMMARY:		TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER PUBLIC AUTHORITY	SALES FOR RESALE	PRIVATE FIRE SERVICE	PUBLIC FIRE SERVICE
1	O & M Expenses	403,891	210,360	66,372	481	8,850	89,522	1,576	26,731
2	Depreciation Expenses/TOIT Def Tax Exp	125,021	61,800	17,977	220	2,380	20,166	1,291	21,187
3	Current Income Taxes	0	0	0	0	0	0	0	0
4	<b>TOTAL Expenses and Taxes</b>	<b>528,912</b>	<b>272,160</b>	<b>84,349</b>	<b>701</b>	<b>11,230</b>	<b>109,688</b>	<b>2,867</b>	<b>47,917</b>
5									
6	Spread of fire expenses & taxes to others	47,917	37,702	8,721	346	1,149	0	0	(47,917)
7	<b>TOTAL Expenses and Taxes after Spread</b>	<b>528,912</b>	<b>309,862</b>	<b>93,070</b>	<b>1,047</b>	<b>12,379</b>	<b>109,688</b>	<b>2,867</b>	
8									
9	Current Revenue								
10	Rate Revenue	343,705	194,035	58,687	1,968	8,919	69,529	10,567	0
11	Other Revenue	3,202	1,861	557	6	74	675	30	0
12	Spread of fire revenue to others	0	0	0	0	0	0	0	0
13	<b>TOTAL Current Revenues</b>	<b>346,907</b>	<b>195,896</b>	<b>59,244</b>	<b>1,974</b>	<b>8,993</b>	<b>70,204</b>	<b>10,597</b>	<b>0</b>
14	<b>Current Revenue Percentage</b>	<b>100.00%</b>	<b>56.47%</b>	<b>17.08%</b>	<b>0.57%</b>	<b>2.59%</b>	<b>20.24%</b>	<b>3.05%</b>	<b>0.00%</b>
15									
16	Net OPERATING INCOME	(182,005)	(113,966)	(33,826)	927	(3,386)	(39,484)	7,731	0
17									
18	TOTAL Rate Base	1,662,863	806,876	227,982	3,230	30,129	238,076	20,229	336,342
19									
20	Spread of fire rate base to others	336,342	264,636	61,218	2,426	8,063	0	0	(336,342)
21	<b>TOTAL Rate Base after Spread</b>	<b>1,662,863</b>	<b>1,071,511</b>	<b>289,200</b>	<b>5,656</b>	<b>38,192</b>	<b>238,076</b>	<b>20,229</b>	
22									
23	Implicit Rate of Return (ROR)	-10.95%	-10.64%	-11.70%	16.39%	-8.87%	-16.58%	38.22%	
24									
25	Net Operating Income with Equalized ROR	(182,005)	(117,280)	(31,654)	(619)	(4,180)	(26,058)	(2,214)	
26	Plus Current Taxes	-	0	0	0	0	0	0	
27	Class COS with Equalized ROR	346,907	192,582	61,416	428	8,199	83,630	652	
28	<b>Current Class COS Percentage</b>	<b>100.00%</b>	<b>55.51%</b>	<b>17.70%</b>	<b>0.12%</b>	<b>2.36%</b>	<b>24.11%</b>	<b>0.19%</b>	
29									
30	Net Operating Income with Equalized ROR	(182,005)	(117,280)	(31,654)	(619)	(4,180)	(26,058)	(2,214)	
31	Revenue Neutral Shift to Equalize Class ROR	(0)	(3,314)	2,172	(1,546)	(794)	13,426	(9,945)	
32	<b>Revenue Increase/Decrease % of Current Revenue</b>	<b>0.00%</b>	<b>-1.69%</b>	<b>3.67%</b>	<b>-78.32%</b>	<b>-8.83%</b>	<b>19.12%</b>	<b>-93.84%</b>	

Office of the Public Counsel  
 MAWC Class Cost of Service Summary

Jefferson City District

CLASS COST OF SERVICE SUMMARY:		TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER PUBLIC AUTHORITY	SALES FOR RESALE	PRIVATE FIRE SERVICE	PUBLIC FIRE SERVICE
1	O & M Expenses	3,653,087	1,836,374	1,009,313	377,327	261,921		32,167	135,985
2	Depreciation Expenses TOIT Def Tax Exp	1,304,418	536,565	333,144	115,950	92,945		32,231	193,583
3	Current Income Taxes	202,655	81,196	50,752	17,201	14,329		5,715	33,462
4	TOTAL Expenses and Taxes	5,160,160	2,454,136	1,393,208	510,478	369,195		70,114	363,029
5									
6	Spread of fire expenses & taxes to others	363,029	221,592	90,870	5,519	45,049		0	(363,029)
7	TOTAL Expenses and Taxes after Spread	5,160,160	2,675,727	1,484,078	515,997	414,244		70,114	
8									
9	Current Revenue								
10	Rate Revenue	6,229,278	3,229,113	1,725,366	623,812	476,051		174,936	0
11	Other Revenue	38,799	20,002	11,249	4,220	2,936		392	0
12	Spread of fire revenue to others	0	0	0	0	0		0	0
13	TOTAL Current Revenues	6,268,077	3,249,116	1,736,615	628,032	478,987		175,328	0
14	Current Revenue Percentage	100.00%	51.84%	27.71%	10.02%	7.64%		2.80%	0.00%
15									
16	Net OPERATING INCOME	1,107,917	573,388	252,536	112,035	64,744		105,214	0
17									
18	TOTAL Rate Base	13,656,015	5,471,469	3,419,938	1,159,104	965,549		385,133	2,254,823
19									
20	Spread of fire rate base to others	2,254,823	1,376,335	564,408	34,277	279,803		0	(2,254,823)
21	TOTAL Rate Base after Spread	13,656,015	6,847,804	3,984,346	1,193,381	1,245,352		385,133	
22									
23	Implicit Rate of Return (ROR)	8.11%	8.37%	6.34%	9.39%	5.20%		27.32%	
24									
25	Net Operating Income with Equalized ROR	1,107,917	555,565	323,251	96,819	101,036		31,246	
26									
27	Class COS with Equalized ROR	6,268,077	3,231,292	1,807,330	612,816	515,280		101,360	
28	Current Class COS Percentage	100.00%	51.55%	28.83%	9.78%	8.22%		1.62%	
29									
30	Net Operating Income with Equalized ROR	1,107,917	555,565	323,251	96,819	101,036		31,246	
31	Revenue Neutral Shift to Equalize Class ROR	0	(17,824)	70,715	(15,216)	36,292		(73,968)	
32	Revenue Increase/Decrease % of Current Revenue	0.00%	-0.55%	4.07%	-2.42%	7.58%		-42.19%	



Office of the Public Counsel  
 MAWC Class Cost of Service Summary

**Joplin District**

<b>CLASS COST OF SERVICE SUMMARY:</b>		<b>TOTAL</b>	<b>RESIDENTIAL</b>	<b>COMMERCIAL</b>	<b>INDUSTRIAL</b>	<b>OTHER PUBLIC AUTHORITY</b>	<b>SALES FOR RESALE</b>	<b>PRIVATE FIRE SERVICE</b>	<b>PUBLIC FIRE SERVICE</b>
1	O & M Expenses	7,344,694	3,290,814	1,553,181	1,494,053	211,994	397,067	107,098	290,488
2	Depreciation Expenses TOIT Def Tax Exp	4,537,589	1,875,374	991,930	780,435	136,671	202,657	189,730	360,791
3	Current Income Taxes	789,548	321,858	175,458	124,233	24,524	32,170	37,450	73,855
4	TOTAL Expenses and Taxes	12,671,831	5,488,047	2,720,569	2,398,721	373,190	631,894	334,277	725,134
5									
6	Spread of fire expenses & taxes to others	725,134	550,648	126,145	23,473	24,867		0	(725,134)
7	TOTAL Expenses and Taxes after Spread	12,671,831	6,038,695	2,846,714	2,422,194	398,057	631,894	334,277	
8									
9	Current Revenue								
10	Rate Revenue	17,125,071	8,494,093	3,551,771	3,558,284	479,699	568,524	472,700	0
11	Other Revenue	223,872	102,829	48,740	49,637	6,585	13,173	2,908	0
12	Spread of fire revenue to others	0	0	0	0	0	0	0	0
13	TOTAL Current Revenues	17,348,943	8,596,921	3,600,511	3,607,921	486,284	581,697	475,608	0
14	Current Revenue Percentage	100.00%	49.55%	20.75%	20.80%	2.80%	3.35%	2.74%	0.00%
15									
16	Net OPERATING INCOME	4,677,112	2,558,226	753,797	1,185,727	88,228	(50,197)	141,331	0
17									
18	TOTAL Rate Base	76,581,043	31,218,155	17,018,248	12,049,837	2,378,669	3,120,278	3,632,377	7,163,479
19									
20	Spread of fire rate base to others	7,163,479	5,439,767	1,246,166	231,888	245,658	0	0	(7,163,479)
21	TOTAL Rate Base after Spread	76,581,043	36,657,922	18,264,414	12,281,726	2,624,326	3,120,278	3,632,377	
22									
23	Implicit Rate of Return (ROR)	6.11%	6.98%	4.13%	9.65%	3.36%	-1.61%	3.89%	
24									
25	Net Operating Income with Equalized ROR	4,677,112	2,238,847	1,115,481	750,094	160,278	190,568	221,844	
26									
27	Class COS with Equalized ROR	17,348,943	8,277,542	3,962,195	3,172,289	558,335	822,462	556,121	
28	Current Class COS Percentage	100.00%	47.71%	22.84%	18.29%	3.22%	4.74%	3.21%	
29									
30	Net Operating Income with Equalized ROR	4,677,112	2,238,847	1,115,481	750,094	160,278	190,568	221,844	
31	Revenue Neutral Shift to Equalize Class ROR	(0)	(319,380)	361,684	(435,632)	72,050	240,765	80,513	
32	Revenue Increase/Decrease % of Current Revenue	0.00%	-3.72%	10.05%	-12.07%	14.82%	41.39%	16.93%	

Office of the Public Counsel  
 MAWC Class Cost of Service Summary

**Mexico District**

<b>CLASS COST OF SERVICE SUMMARY:</b>		<b>TOTAL</b>	<b>RESIDENTIAL</b>	<b>COMMERCIAL</b>	<b>INDUSTRIAL</b>	<b>OTHER PUBLIC AUTHORITY</b>	<b>SALES FOR RESALE</b>	<b>PRIVATE FIRE SERVICE</b>	<b>PUBLIC FIRE SERVICE</b>
1	O & M Expenses	1,643,928	712,977	225,393	262,302	115,381	246,269	23,956	57,651
2	Depreciation Expenses TOIT Def Tax Exp	857,420	370,127	109,616	116,488	55,686	114,022	26,962	64,519
3	Current Income Taxes	125,892	54,144	15,985	16,767	8,136	16,547	4,163	10,150
4	TOTAL Expenses and Taxes	2,627,240	1,137,248	350,994	395,556	179,203	376,837	55,081	132,320
5									
6	Spread of fire expenses & taxes to others	132,320	99,384	17,095	8,318	7,524		0	(132,320)
7	TOTAL Expenses and Taxes after Spread	2,627,240	1,236,632	368,089	403,874	186,727	376,837	55,081	
8									
9	Current Revenue								
10	Rate Revenue	3,447,116	1,654,644	474,882	528,604	242,540	411,035	135,410	0
11	Other Revenue	50,839	22,694	7,251	8,517	3,719	7,947	711	0
12	Spread of fire revenue to others	0	0	0	0	0	0	0	0
13	TOTAL Current Revenues	3,497,955	1,677,338	482,133	537,121	246,259	418,982	136,122	0
14	Current Revenue Percentage	100.00%	47.95%	13.78%	15.36%	7.04%	11.98%	3.89%	0.00%
15									
16	Net OPERATING INCOME	870,715	440,706	114,044	133,247	59,532	42,144	81,041	0
17									
18	TOTAL Rate Base	13,337,949	5,736,373	1,693,621	1,776,411	861,982	1,753,079	441,070	1,075,413
19									
20	Spread of fire rate base to others	1,075,413	807,729	138,935	67,600	61,149	0	0	(1,075,413)
21	TOTAL Rate Base after Spread	13,337,949	6,544,103	1,832,555	1,844,011	923,131	1,753,079	441,070	
22									
23	Implicit Rate of Return (ROR)	6.53%	6.73%	6.22%	7.23%	6.45%	2.40%	18.37%	
24									
25	Net Operating Income with Equalized ROR	870,715	427,206	119,631	120,379	60,263	114,443	28,793	
26									
27	Class COS with Equalized ROR	3,497,955	1,663,838	487,720	524,253	246,990	491,280	83,874	
28	Current Class COS Percentage	100.00%	47.57%	13.94%	14.99%	7.06%	14.04%	2.40%	
29									
30	Net Operating Income with Equalized ROR	870,715	427,206	119,631	120,379	60,263	114,443	28,793	
31	Revenue Neutral Shift to Equalize Class ROR	(0)	(13,501)	5,587	(12,868)	731	72,298	(52,247)	
32	Revenue Increase/Decrease % of Current Revenue	0.00%	-0.80%	1.16%	-2.40%	0.30%	17.26%	-38.38%	

Office of the Public Counsel  
 MAWC Class Cost of Service Summary

**Parkville District**

<b>CLASS COST OF SERVICE SUMMARY:</b>		<b>TOTAL</b>	<b>RESIDENTIAL</b>	<b>COMMERCIAL</b>	<b>INDUSTRIAL</b>	<b>OTHER PUBLIC AUTHORITY</b>	<b>SALES FOR RESALE</b>	<b>PRIVATE FIRE SERVICE</b>	<b>PUBLIC FIRE SERVICE</b>
1	O & M Expenses	1,577,506	925,197	320,362	29,745	38,695	131,772	25,667	106,068
2	Depreciation Expenses TOIT Def Tax Exp	1,828,027	1,010,093	299,674	4,117	15,461	106,297	73,128	319,256
3	Current Income Taxes	107,377	57,971	17,390	207	873	6,197	4,608	20,131
4	TOTAL Expenses and Taxes	3,512,910	1,993,262	637,425	34,069	55,029	244,266	103,404	445,455
5									
6	Spread of fire expenses & taxes to others	445,455	354,798	79,027	1,356	10,274		0	(445,455)
7	TOTAL Expenses and Taxes after Spread	3,512,910	2,348,060	716,453	35,425	65,303	244,266	103,404	
8									
9	Current Revenue								
10	Rate Revenue	4,822,859	3,331,483	1,061,981	19,341	56,074	211,136	142,815	29
11	Other Revenue	37,203	23,884	7,939	584	822	3,145	829	0
12	Spread of fire revenue to others	29	23	5	0	1	0	0	0
13	TOTAL Current Revenues	4,860,062	3,355,389	1,069,925	19,925	56,896	214,282	143,644	0
14	Current Revenue Percentage	100.00%	69.04%	22.01%	0.41%	1.17%	4.41%	2.96%	0.00%
15									
16	Net OPERATING INCOME	1,347,152	1,007,329	353,473	(15,500)	(8,407)	(29,985)	40,241	0
17									
18	TOTAL Rate Base	23,916,844	12,912,322	3,873,293	46,112	194,431	1,380,391	1,026,467	4,483,827
19									
20	Spread of fire rate base to others	4,483,827	3,571,302	795,466	13,646	103,413	0	0	(4,483,827)
21	TOTAL Rate Base after Spread	23,916,844	16,483,625	4,668,759	59,758	297,844	1,380,391	1,026,467	
22									
23	Implicit Rate of Return (ROR)	5.63%	6.11%	7.57%	-25.94%	-2.82%	-2.17%	3.92%	
24									
25	Net Operating Income with Equalized ROR	1,347,152	928,465	262,975	3,366	16,777	77,753	57,817	
26									
27	Class COS with Equalized ROR	4,860,062	3,276,524	979,427	38,791	82,079	322,019	161,221	
28	Current Class COS Percentage	100.00%	67.42%	20.15%	0.80%	1.69%	6.63%	3.32%	
29									
30	Net Operating Income with Equalized ROR	1,347,152	928,465	262,975	3,366	16,777	77,753	57,817	
31	Revenue Neutral Shift to Equalize Class ROR	0	(78,865)	(90,498)	18,866	25,183	107,737	17,577	
32	Revenue Increase/Decrease % of Current Revenue	0.00%	-2.35%	-8.46%	94.69%	44.26%	50.28%	12.24%	

Office of the Public Counsel  
 MAWC Class Cost of Service Summary

St. Joseph District

CLASS COST OF SERVICE SUMMARY:	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER PUBLIC AUTHORITY	SALES FOR RESALE	PRIVATE FIRE SERVICE	PUBLIC FIRE SERVICE
1 O & M Expenses	9,307,964	4,138,621	1,348,812	2,247,797	273,336	1,046,867	41,030	211,501
2 Depreciation Expenses/TOIT Def Tax Exp	5,508,018	2,167,309	858,078	1,463,780	182,544	544,823	47,278	244,206
3 Current Income Taxes	724,590	286,497	115,122	193,816	24,579	65,436	6,527	32,614
4 TOTAL Expenses and Taxes	15,540,572	6,592,427	2,322,012	3,905,393	480,459	1,657,126	94,834	488,321
5								
6 Spread of fire expenses & taxes to others	488,321	390,180	68,497	18,285	11,358		0	(488,321)
7 TOTAL Expenses and Taxes after Spread	15,540,572	6,982,607	2,390,509	3,923,678	491,817	1,657,126	94,834	
8								
9 Current Revenue								
10 Rate Revenue	21,040,387	10,230,105	3,936,426	3,820,845	769,745	2,033,205	250,061	0
11 Other Revenue	256,717	114,383	37,696	64,321	7,657	31,556	1,104	0
12 Spread of industrial discount to others	0	(520,064)	(200,115)	875,384	(39,131)	(103,361)	(12,712)	0
13 TOTAL Current Revenues	21,297,104	9,824,424	3,774,008	4,760,550	738,270	1,961,400	238,453	0
14 Current Revenue Percentage	100.00%	46.13%	17.72%	22.35%	3.47%	9.21%	1.12%	0.00%
15								
16 Net OPERATING INCOME	5,756,532	2,841,817	1,383,499	836,872	246,454	304,273	143,619	0
17								
18 TOTAL Rate Base	78,717,359	31,124,182	12,506,524	21,055,633	2,670,144	7,108,783	709,051	3,543,042
19								
20 Spread of fire rate base to others	3,543,042	2,830,977	496,986	132,669	82,409	0	0	(3,543,042)
21 TOTAL Rate Base after Spread	78,717,359	33,955,159	13,003,510	21,188,303	2,752,553	7,108,783	709,051	
22								
23 Implicit Rate of Return (ROR)	7.31%	8.37%	10.64%	3.95%	8.95%	4.28%	20.26%	
24								
25 Net Operating Income with Equalized ROR	5,756,532	2,483,111	950,935	1,549,482	201,292	519,859	51,852	
26								
27 Class COS with Equalized ROR	21,297,104	9,465,718	3,341,445	5,473,161	693,109	2,176,986	146,687	
28 Current Class COS Percentage	100.00%	44.45%	15.69%	25.70%	3.25%	10.22%	0.69%	
29								
30 Net Operating Income with Equalized ROR	5,756,532	2,483,111	950,935	1,549,482	201,292	519,859	51,852	
31 Revenue Neutral Shift to Equalize Class ROR	0	(358,705)	(432,563)	712,611	(45,162)	215,586	(91,766)	
32 Revenue Increase/Decrease % of Current Revenue	0.00%	-3.65%	-11.46%	14.97%	-6.12%	10.99%	-38.48%	

**Company Reported Miscellaneous Service Costs**

District	Connection Fee /Turn On Fee	Connection Fee /Turn On Overtime	Turn On Non-Pay Regular Hours	Turn On Non-Pay After Hours	Hydrant Inspection Fee	Water Usage from Company Hydrant	Meter Testing	Investigation Report	Temporary Service	Rescheduled Taps	Discontinuance or Termination of Service (leaking service line)	
											Normal Bus Hrs	Other Hrs
STL Metro	\$24.95	\$149.68	\$49.89	\$149.68	\$14.97	\$135.37	\$74.84	\$24.95	\$63.56	\$64.66	\$32.53	\$152.77
Jefferson City	\$21.66	\$129.96	\$43.32	\$129.96	\$13.00	\$171.94	\$64.98	\$21.66				
Mexico	\$20.36	\$122.15	\$40.72	\$122.15	\$12.22	\$216.35	\$61.08	\$20.36				
St. Joseph	\$20.28	\$121.70	\$40.57	\$121.70	\$12.17	\$179.09	\$60.85	\$20.28				
Brunswick	\$21.33	\$127.97	\$42.66	\$127.97	\$12.80	\$340.48	\$63.98	\$21.33				
Parkville	\$20.10	\$120.61	\$40.20	\$120.61	\$12.06	\$229.42	\$60.31	\$20.10				
Warrensburg	\$20.30	\$121.81	\$40.60	\$121.81	\$12.18	\$150.14	\$60.90	\$20.30				
Joplin	\$21.37	\$128.19	\$42.73	\$128.19	\$12.82	\$149.71	\$64.10	\$21.37				

**Company Proposed Miscellaneous Service Rates**

District	Connection Fee /Turn On Fee	Connection Fee /Turn On Overtime	Turn On Non-Pay Regular Hours	Turn On Non-Pay After Hours	Hydrant Inspection Fee	Water Usage from Company Hydrant	Meter Testing	Investigation Report	Temporary Service	Rescheduled Taps	Discontinuance or Termination of Service (leaking service line)	
											Normal Bus Hrs	Other Hrs
All	\$25.00	\$140.00	\$50.00	\$140.00	\$15.00	\$110.00	\$70.00	\$25.00	\$65.00	\$65.00	\$35.00	\$150.00

**Proposed Alternative Miscellaneous Service Rates**

District	Connection Fee /Turn On Fee	Connection Fee /Turn On Overtime	Turn On Non-Pay Regular Hours	Turn On Non-Pay After Hours	Hydrant Inspection Fee	Water Usage from Company Hydrant	Meter Testing	Investigation Report	Temporary Service	Rescheduled Taps	Discontinuance or Termination of Service (leaking service line)	
											Normal Bus Hrs	Other Hrs
STL Metro / WCW	\$25.00	\$150.00	\$50.00	\$150.00	\$15.00	\$135.00	\$75.00	\$25.00	\$64.00	\$65.00	\$33.00	\$153.00
Jefferson City	\$21.00	\$125.00	\$42.00	\$125.00	\$12.00	\$171.94	\$62.00	\$21.00				
Mexico	\$21.00	\$125.00	\$42.00	\$125.00	\$12.00	\$216.35	\$62.00	\$21.00				
St. Joseph	\$21.00	\$125.00	\$42.00	\$125.00	\$12.00	\$179.09	\$62.00	\$21.00				
Brunswick	\$21.00	\$125.00	\$42.00	\$125.00	\$12.00	\$340.48	\$62.00	\$21.00				
Parkville	\$21.00	\$125.00	\$42.00	\$125.00	\$12.00	\$229.42	\$62.00	\$21.00				
Warrensburg	\$21.00	\$125.00	\$42.00	\$125.00	\$12.00	\$150.14	\$62.00	\$21.00				
Joplin	\$21.00	\$125.00	\$42.00	\$125.00	\$12.00	\$149.71	\$62.00	\$21.00				

Schedule BAM REB-3 HC  
has been deemed  
“Highly Confidential”  
in its entirety