

Exhibit No.:  
Issue: Rate Design  
Witness: Brian C. Collins  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Sunnydale Properties, LLC  
Case No.: WR-2020-0344  
Date Testimony Prepared: February 9, 2021

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

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

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) **Case No. WR-2020-0344**  
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Surrebuttal Testimony of

**Brian C. Collins**

On behalf of

**Sunnydale Properties, LLC**

February 9, 2021



Project 10995.3

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**Case No. WR-2020-0344**

**STATE OF MISSOURI**

**COUNTY OF ST. LOUIS**

**SS**

**Affidavit of Brian C. Collins**

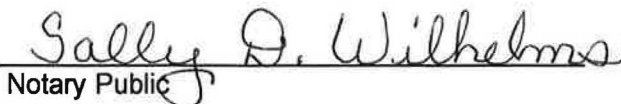
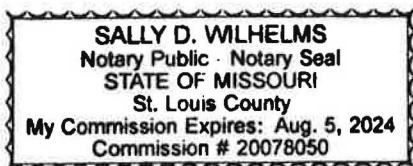
Brian C. Collins, being first duly sworn, on his oath states:

1. My name is Brian C. Collins. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by Sunnydale Properties, LLC in this proceeding on its behalf.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. WR-2020-0344.
3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Brian C. Collins

Subscribed and sworn to before me this 9<sup>th</sup> day of February, 2021.



Notary Public



1 Q PLEASE SUMMARIZE YOUR RECOMMENDATION CONTAINED IN YOUR DIRECT  
2 TESTIMONY.

3 A In my direct testimony, I recommended that Sunnydale be billed for future water service  
4 under MAWC's existing Rate J. In the alternative, to the extent MAWC moves to a  
5 Rate J1 and Rate L structure, it is appropriate for Sunnydale to be billed for future water  
6 service under MAWC's Rate J1.

7 Q IN YOUR DIRECT TESTIMONY, YOU INDICATED THAT SUNNYDALE IS NOT A  
8 RESIDENTIAL CUSTOMER FOR SEVERAL REASONS, CORRECT?

9 A Yes. To summarize my direct testimony, Sunnydale's individual manufactured homes  
10 are not individually metered and fail to meet the definition of either a customer or  
11 premises in order to receive residential service.

12 Q HAVE YOU REVIEWED THE REBUTTAL TESTIMONY OF COMPANY WITNESS  
13 BRIAN W. LAGRAND?

14 A Yes.

15 Q DOES MR. LAGRAND AGREE THAT SUNNYDALE IS NOT A RESIDENTIAL  
16 CUSTOMER?

17 A Yes, he agrees that Sunnydale is not a residential customer.

18 Q DOES MR. LAGRAND AGREE THAT SUNNYDALE IS A COMMERCIAL  
19 CUSTOMER?

20 A Yes, he agrees that Sunnydale is classified as a commercial customer.

1    **Q       HOW DOES MAWC DEFINE SERVICE TAKEN BY A COMMERCIAL CUSTOMER?**

2    A       Commercial service is defined as the following in 1st Revised Sheet No. R 1:

3                “Commercial Service”: Non-residential, non-industrial business  
4                enterprises. It includes hospitals, churches, shopping centers, offices,  
5                restaurants and other commercial business establishments. At the  
6                Company’s discretion, service may be provided to this class through one  
7                or more meters.

8    **Q       DOES MAWC’S DEFINITION OF COMMERCIAL SERVICE APPLY TO**  
9       **SUNNYDALE?**

10   A       Yes, Sunnydale is a non-residential, non-industrial business enterprise.

11   **Q       DOES MR. LAGRAN AGREE WITH YOUR PROPOSAL FOR SUNNYDALE TO**  
12       **TAKE SERVICE UNDER RATE J?**

13   A       No, he doesn’t agree with my recommendation. He maintains that Sunnydale is  
14       ineligible for Rate J despite agreeing that it is a commercial customer.

15   **Q       WHAT IS THE BASIS OF MR. LAGRAN’S OPPOSITION TO SUNNYDALE TAKING**  
16       **SERVICE UNDER RATE J?**

17   A       Despite agreeing that Sunnydale is not a residential customer and is in fact a  
18       commercial customer, his primary reason for Sunnydale’s ineligibility is that Rate J is  
19       not allowed for usage in residences.

20   **Q       WHAT IS THE DEFINITION OF RESIDENCES IN MAWC’S TARIFF?**

21   A       Residences are defined in the definition of residential service contained in the MAWC  
22       tariff. According to the tariff definition of residential service in 3rd Revised Sheet No.  
23       R 6, the tariff states the following concerning residences:

1                   “Residential Service”: Individually metered residences. Residences  
2                   are defined as consisting of one or more rooms, with space for eating,  
3                   living, sleeping and permanent provision for cooking and sanitation.

4    **Q        DOES THE TARIFF APPEAR TO CONTEMPLATE THAT RESIDENCES ARE**  
5                   **INDIVIDUALLY METERED?**

6    A        Yes, the tariff appears to interpret residences as being individually metered.

7    **Q        DOES MAWC PROVIDE SERVICE TO SUNNYDALE FOR INDIVIDUALLY**  
8                   **METERED RESIDENCES?**

9    A        No, it does not. MAWC provides water service to Sunnydale as a commercial user,  
10             with a single meter, that meets the volume requirements under Rate J. MAWC does  
11             not provide Sunnydale with tariff defined residential service.

12   **Q        DOES MR. LAGRAN ELABORATE FURTHER ON HIS BELIEF THAT**  
13             **SUNNYDALE IS INELIGIBLE FOR RATE J?**

14   A        Yes. Mr. LaGrand further states at page 7 of his rebuttal testimony the following:

15             Rate J is intended for larger commercial users whose usage is  
16             consistent and is generally off-peak. Residential type usage peaks  
17             primarily in the mornings and the evenings and those peaks tend to drive  
18             system peaks during the day. Apartment dwellings have a similar usage  
19             pattern, but without seasonal irrigation peaks. It is believed that a  
20             manufactured housing community has usage patterns similar to that of  
21             apartment dwellings. Accordingly, such usage is not appropriate for  
22             Rate J.

1 **Q DOES RATE J EXPLICITLY PROHIBIT SERVICE FOR A COMMERCIAL USER**  
2 **THAT IS NOT AN APARTMENT DWELLING, BUT WITH APARTMENT DWELLING**  
3 **TYPE USAGE PATTERNS?**

4 A No, this prohibition is not in the MAWC Rate J tariff. Notably, other commercial  
5 customers which one would expect peak in the mornings and evenings (e.g., hotels)  
6 are receiving service under Rate J. Mr. LaGrand has not pointed to any tariff language  
7 that substantiates his criteria that he believes applies to Sunnydale and causes  
8 Sunnydale to be ineligible for Rate J. While MAWC could revise its tariff to exclude  
9 customers with morning and evening peaks from Rate J, it has not done so. Allowing  
10 MAWC to determine a customer's classification simply on what "is believed" about  
11 "usage patterns" on a case-by-case basis is not just or reasonable.

12 **Q IGNORING THE FACT THAT SUNNYDALE IS NOT AN APARTMENT DWELLING,**  
13 **DOES MR. LAGRAN PROVIDE ANY ANALYSIS OF SUNNYDALE'S WATER**  
14 **USAGE TO SUPPORT HIS ASSUMPTIONS REGARDING SUNNYDALE'S WATER**  
15 **USAGE PATTERNS?**

16 A No, he does not. Mr. LaGrand has not provided any evidence to substantiate his belief  
17 that Sunnydale's usage pattern is similar to apartment dwellings. He has not provided  
18 any analysis whatsoever of Sunnydale's usage. That being said, nothing in the tariff  
19 prohibits a commercial user (that is not an apartment dwelling) because it has  
20 apartment dwelling type usage patterns.

1 **Q HOW DOES A RECLASSIFICATION AFFECT CUSTOMERS?**

2 A Customers who have been “moved” by MAWC from Rate J to Rate A, experience a  
3 volumetric charge increase in excess of 120% at current rates without any transition  
4 and excluding the impact of the rate increase in this case.

5 **Q AFTER REVIEWING MR. LAGRAND’S REBUTTAL TESTIMONY, DO YOU**  
6 **CONTINUE TO RECOMMEND THAT SUNNYDALE TAKE SERVICE UNDER**  
7 **RATE J?**

8 A Yes. I continue to recommend that Sunnydale be billed for future water service under  
9 MAWC’s existing Rate J. In the alternative, to the extent MAWC moves to a Rate J1  
10 and Rate L structure, it is appropriate for Sunnydale to be billed for future water service  
11 under MAWC’s Rate J1.

12 **Q WHY WOULD RATE J1, IF ADOPTED BY THE COMMISSION, BE APPROPRIATE**  
13 **FOR SUNNYDALE?**

14 A As described earlier, a re-classification amounts to a very significant increase and rate  
15 shock for customers who had been receiving service on Rate J. A rate increase on top  
16 of a re-classification amounts to a second, stacked increase in excess of 10% (in  
17 addition to the 120% increase from Rate J to Rate A).

18 The Company proposes to transition Rate J customers not eligible for Rate L to  
19 Rate J1 in this case to mitigate the increase resulting from a move to Rate A. Even  
20 this phased-in approach from Rate J to Rate J1 amounts to a significant increase of  
21 approximately 30% in the volumetric rate for non-St. Louis County Rate J customers  
22 under the Company’s transition proposal. Because Sunnydale had previously been on  
23 Rate J, Rate J1 would be appropriate to prevent further rate shock.

**Brian C. Collins**  
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1 Q DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

2 A Yes, it does.

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