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Missouri Public  
Service Commission

Exhibit No.:  
Issue: Depreciation  
Witness: John J. Spanos  
Type of Exhibit: Surrebuttal  
Sponsoring Party: Missouri-American Water Company  
Case No.: WR-2011-0337  
Date: February 2, 2012

**MISSOURI PUBLIC SERVICE COMMISSION**  
**CASE NO. WR-2011-0337**

**SURREBUTTAL TESTIMONY**  
**OF**  
**JOHN J. SPANOS**  
**ON BEHALF OF**  
**MISSOURI-AMERICAN WATER COMPANY**  
**JEFFERSON CITY, MISSOURI**

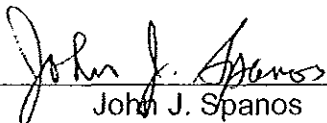
MAWC Exhibit No. 21  
Date 2-21-12 Reporter JL  
File No. WR-2011-0337

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

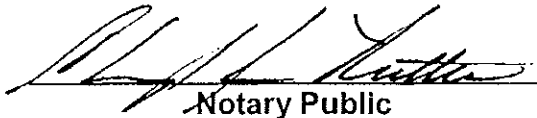
IN THE MATTER OF MISSOURI-AMERICAN )	
WATER COMPANY FOR AUTHORITY TO )	
FILE TARIFFS REFLECTING INCREASED )	CASE NO. WR-2011-0337
RATES FOR WATER AND SEWER )	CASE NO. SR-2011-0338
SERVICE )	

AFFIDAVIT OF JOHN J. SPANOS

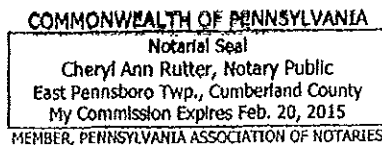
John J. Spanos, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Surrebuttal Testimony of John J. Spanos"; that said testimony was prepared by him and/or under his direction and supervision; that if inquires were made as to the facts in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

  
\_\_\_\_\_  
John J. Spanos

Commonwealth of Pennsylvania  
County of Cumberland  
SUBSCRIBED and sworn to  
Before me this 1st day of February 2012.

  
\_\_\_\_\_  
Notary Public

My commission expires: February 20, 2015



1 **Q. Please state your name and address.**

2 A. My name is John J. Spanos. My business address is 207 Senate Avenue, Camp  
3 Hill, Pennsylvania.

4 **Q. Have you previously submitted testimony in this proceeding?**

5 A. Yes, I have. I submitted rebuttal testimony on January 19, 2012.

6 **Q. What is the purpose of your surrebuttal testimony?**

7 A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of  
8 Arthur W. Rice.

9 **Q. What is the subject of your surrebuttal testimony?**

10 A. The subject of my surrebuttal testimony is the confusion related to the Continuing  
11 Property Records (CPR). Mr. Rice addresses his concerns on pages 8 through  
12 12 of his rebuttal testimony.

13 **Q. Does the Missouri American Water Company (MAWC) have an adequate  
14 Continuing Property Records system?**

15 A. Yes, they do.

16 **Q. Has MAWC had numerous changes to the media of which the CPR has  
17 been maintained?**

18 A. Yes. Like all other utilities across the United States, property records have  
19 evolved from hard documented ledger sheets to various electronic fixed asset  
20 systems. These transitions require a considerable amount of time and effort for  
21 the accounting department to process and maintain, as well as the requirement  
22 of space to store records. With the consolidation and mergers of the Company,  
23 documents are retained in numerous areas.

24 **Q. Do the Company property records have historical data back to the initial  
25 years?**

1 A. Yes. As set forth in the past depreciation studies before this Commission, the  
2 historical entries of additions, retirements, sales and transfers by account within  
3 the district have been maintained. The property records go back to 1939 when  
4 utilities began maintaining their property records. The depreciation study as of  
5 December 31, 2008, Case No. WR-2010-0131, establishes the basis for all these  
6 transactions.

7 **Q. Has there been a misunderstanding during discovery with regard to this**  
8 **data?**

9 A. Yes. There have been responses to data requests from Staff which the  
10 Company interpreted in a different manner than what Staff intended. The basis  
11 for the misunderstanding stemmed from the records related to the retirement of  
12 all assets associated with the St. Joseph facility. The updated response to Data  
13 Request No. 92 sets forth the breakdown of the \$6,885,269.56 retirement of the  
14 St. Joseph facility by account. In addition, the response includes the detail of  
15 each asset that was retired with the original year of installation.

16 **Q. Are the practices of MAWC for property record retention common among**  
17 **other utilities?**

18 A. Yes. Utilities across the United States have been through many transitions of the  
19 property records and changes in fixed asset systems. The degree of detail in the  
20 archives of MAWC meet all the necessary requirements of record retention.

21 **Q. Are the concerns of Mr. Rice related to the CPR warranted?**

22 A. Not in my opinion. The multiple resources MAWC utilizes to maintain property  
23 records meet the requirements and issues addressed by Mr. Rice.

24 **Q. Does this conclude your testimony?**

25 A. Yes, it does.