

Exhibit No.: _____
Issue(s): Lead Service Line Replacement
Witness/Type of Exhibit: Roth/True-Up Direct
Sponsoring Party: Public Counsel
Case No.: WR-2017-0285

TRUE-DIRECT TESTIMONY

OF

KERI ROTH

Submitted on Behalf of the Office of the Public Counsel

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2017-0285

March 14, 2018

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

In the Matter of Missouri-American Water)
Company's Request for Authority to Implement) Case No. WR-2017-0285
General Rate Increase for Water and Sewer)
Service Provided in Missouri Service Areas.)

AFFIDAVIT OF KERI ROTH

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Keri Roth, of lawful age and being first duly sworn, deposes and states:

1. My name is Keri Roth. I am a Public Utility Accountant III for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my true-up 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.



Keri Roth
Public Utility Accountant III

Subscribed and sworn to me this 14th day of March 2018.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2021
Cole County
Commission #13754037



Jerene A. Buckman
Notary Public

My Commission expires August 23, 2021.

TRUE-UP DIRECT TESTIMONY
OF
KERI ROTH
MISSOURI AMERICAN WATER COMPANY
CASE NO. WR-2017-0285

1 **I. INTRODUCTION**

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

3 A. Keri Roth, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

4 **Q. Are you the same Keri Roth who has filed direct, rebuttal, and surrebuttal testimonies**
5 **on behalf of the Office of the Public Counsel (“OPC”) in this case?**

6 A. Yes.

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

8 A. The purpose of this true-up direct testimony is to respond to Missouri American Water
9 Company’s (“MAWC” or “Company”) total dollar amount of lead service line replacements
10 during January 1, 2017 through December 31, 2017.

11 **II. LEAD SERVICE LINE REPLACEMENT DOLLARS**

12 **Q. When did MAWC’s evidentiary hearing occur?**

13 A. The evidentiary hearing for MAWC’s lead service line replacement program occurred on
14 March 5 – 6, 2017.

15 **Q. Has a transcript of the evidentiary hearing been filed into the record of this case?**

16 A. At the time this testimony is written, no transcript has been filed of the evidentiary hearing.

17 **Q. Did MAWC’s witness, Mr. Bruce W. Aiton, make changes to his surrebuttal testimony**
18 **when he testified in front of the Commission on March 5, 2017?**

1 A. Yes. Mr. Aiton testified that the total dollars associated with customer owned lead service
2 line replacements during 2017 was misstated in his surrebuttal testimony.

3 **Q. What was Mr. Aiton's correction to his surrebuttal testimony?**

4 A. Mr. Aiton explained that the total dollars recorded during 2017 for customer owned lead
5 service line replacements was actually approximately \$1.4 million, rather than \$1.748 million¹
6 dollars discussed in his surrebuttal testimony. At the hearing, Mr. Aiton also indicated that the
7 number of lead service lines replacements in his surrebuttal testimony was inaccurate.

8 **Q. What amount did Staff include in testimony for customer owned lead service line
9 replacements?**

10 A. Staff witness, Ms. Amanda C. McMellen, explains in her rebuttal testimony that Staff has
11 included \$1,071,559 as of June 30, 2017 for customer owned lead service line replacements.²

12 **Q. Why has Staff not included dollars through December 31, 2017?**

13 A. It is OPC's understanding as of the evidentiary hearing, Staff had not received invoice data
14 for July through December 2017.

15 **Q. Has OPC received an update of invoices for July through December 2017 customer
16 owned lead service line replacements?**

17 A. Yes. OPC received over 100 pages of documents related to customer owned lead service line
18 replacements on March 13, 2017, which is the day before this testimony is due.

19 **Q. Has MAWC's total dollars for customer owned lead service line replacements changed
20 once again since Mr. Aiton's testimony before the Commission on March 5, 2017?**

¹ MAWC witness Mr. Bruce W. Aiton, Surrebuttal Testimony, page 6, lines 3 - 4

² Staff witness Ms. Amanda C. McMellen, Rebuttal Testimony, page 3, lines 10 -
11

1 A. Yes. Mr. Aiton's correction to include \$1.4 million for lead service line replacements is
2 incorrect, according to MAWC's workpaper provided to OPC on March 13, 2017.

3 **Q. What is MAWC's new number for total dollars for customer owned lead service line**
4 **replacements during calendar year 2017?**

5 A. MAWC has provided a new number of approximately \$1.7 million, and they believe this
6 accounts for 240 customer owned lead service lines. The average cost per lead service line
7 replacement exceeds \$7,000 according to the Company's most recent calculations.

8 **Q. Is OPC confident in MAWC's newly calculated number?**

9 A. No. Since OPC was not provided invoices for July through December 2017 until March 13,
10 2018 after 2:00 P.M., the day before true-up direct testimony is due, OPC has not been
11 provided a timely and thorough review of invoices to verify MAWC's information. Also, it
12 has been communicated from MAWC that this change is due to errors in bookkeeping from
13 MAWC's accounting department. This is another example of how MAWC's numbers have
14 been changing very often, which was discussed extensively by OPC during the evidentiary
15 hearing.

16 **Q. Does this conclude your true-up direct testimony?**

17 A. Yes.