

*Exhibit No.:*  
*Issue:* *Tariff Rate*  
*Witness:* *Matthew J. Barnes*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *WO-2019-0184*  
*Date Testimony Prepared:* *May 07, 2019*

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**WATER AND SEWER DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**MATTHEW J. BARNES**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WO-2019-0184**

*Jefferson City, Missouri*  
*May 2019*

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**DIRECT TESTIMONY**  
**OF**  
**MATTHEW J. BARNES**  
**MISSOURI-AMERICAN WATER COMPANY**  
**CASE NO. WO-2019-0184**

Q. Please state your name and business address.

A. My name is Matthew J. Barnes and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102.

Q. What is your position at the Missouri Public Service Commission (Commission)?

A. I am a Utility Regulatory Auditor IV in the Commission Staff Division, Water and Sewer Department.

Q. What is your work and educational background?

A. Please see Schedule MJB-d1.

Q. Have you previously filed testimony before the Commission?

A. Yes. Please see Schedule MJB-d1.

Q. What is the purpose of your direct testimony?

A. The purpose of my testimony is to provide to the Commission the ISRS rates based on the various parties ISRS revenue requirements.

Q. What is ISRS?

A. ISRS stands for Infrastructure System Replacement Surcharge.

Q. Are there other Staff members filing testimony in this proceeding?

1 A. Yes. Staff expert Karen Lyons will be filing testimony regarding Staff's  
2 recommended position concerning the calculation of dollars Missouri-American Water  
3 Company ("MAWC") should be allowed to collect through its ISRS. Staff witness  
4 Mark L. Oligschlaeger will address policy related matters regarding MAWC's proposal to  
5 increase rate base by including a hypothetical NOL associated with ISRS plant in service  
6 additions.

7 Q. What are Staff's proposed ISRS rates?

8 A. Based on Staff's ISRS revenue calculation supported by Ms. Lyons, Staff  
9 proposes the Commission approve the following rates for each rate class:

	ISRS Recovery Revenue Requirement	2018 Bill Analysis Sales (100 Gal) (1)	Rate per 1000 Gal.
Rate A	\$8,840,853	32,207,358	\$0.27450
Rate B	10,802	1,609,828	\$0.00671
Rate J	27,190	4,227,969	\$0.00643
	<u><b>\$8,878,845</b></u>	<u><b>38,045,155</b></u>	
(1) Per billing determinants in Case WR 2017-0285			
	Current Rate	Adjustment to Current Rate (2)	Proposed Rate Use on Tariff
<b>Rate Per 1000 Gal</b>			
Rate A	\$0.19770	\$0.27450	\$0.47220
Rate B	\$0.00180	\$0.00671	\$0.00851
Rate J	\$0.00170	\$0.00643	\$0.00813
(2) Calculated per above			

11  
12 Q. Please briefly explain the various classes.

13 A. Rate A represents residential, commercial, and small industrial customers.  
14 Rate B represents Sale for Resale customers. Rate J represents large industrial customers.

1 Q. How are rates determined for each class?

2 A. For each class, the cost of service allocation is based on the revenue  
3 requirement being spread to each class based on billing determinants agreed to in the previous  
4 rate case.<sup>1</sup>

5 Q. What are the MAWC's proposed ISRS rates?

6 A. According to MAWC's April update to its initial filing, MAWC proposes the  
7 following rates:

8	Rate A	\$0.49781
9	Rate B	\$0.00914
10	Rate J	\$0.00873

11 Q. Did The Office of the Public Counsel ("Public Counsel") oppose Staff's  
12 recommendation?

13 A. No. Public Counsel did not oppose Staff's recommended ISRS rates.

14 Q. Could you include a Table that shows a side-by-side comparison of the various  
15 potential rates?

16 A. Yes. Please see Table 1 below for a side-by-side comparison. The Table  
17 shows the difference in rates between MAWC's and Staff's position.

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	Company	Staff	Difference
Rate A	\$ 0.49781	\$ 0.47220	\$ 0.02561
Rate B	\$ 0.00914	\$ 0.00851	\$ 0.00063
Rate J	\$ 0.00873	\$ 0.00813	\$ 0.00060

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<sup>1</sup> Case No. WR-2017-0285.

Direct Testimony of  
Matthew J. Barnes

1 Q. Do these rates only impact customers in the St. Louis County service area?

2 A. Yes. As per statute, the ISRS is only permitted in the St. Louis County  
3 service area.

4 Q. Does this conclude your direct testimony?

5 A. Yes.

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

In The Matter of Petition of Missouri-American )  
 Water Company for Approval to Change an ) **Case No. WO-2019-0184**  
 Infrastructure System Replacement Surcharge ) Tariff No. YW-2019-0018  
 (ISRS) )

**AFFIDAVIT OF MATTHEW J. BARNES**

State of Missouri )  
   ) ss.  
 County of Cole )

**COMES NOW**, Matthew J. Barnes, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached *Direct Testimony*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Matthew J. Barnes  
**Matthew J. Barnes**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 7<sup>th</sup> day of May, 2019.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070
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D. Suzie Mankin  
**NOTARY PUBLIC**

MATTHEW J. BARNES

EDUCATION AND RATE CASE PARTICIPATION

**Educational and Employment Background and Credentials**

I am a Utility Regulatory Auditor IV in the Water and Sewer Department, Commission Staff Division for the Missouri Public Service Commission. I was promoted to Utility Regulatory Auditor IV in the Energy Resources Department, Commission Staff Division for the Missouri Public Service Commission in June 2008. I accepted the position of Utility Regulatory Auditor I/II/III in June 2003. I transferred to the position of Utility Regulatory Auditor IV in the Water and Sewer Department in June 2016.

In December 2002, I earned a Bachelor of Science Degree in Business Administration with an Emphasis in Accounting from Columbia College. In May 2005, I earned a Masters in Business Administration with an Emphasis in Accounting from William Woods University.

**RATE CASE PARTICIPATION**

<b>Date Filed</b>	<b>Issue</b>	<b>Case Number</b>	<b>Exhibit</b>	<b>Case Name</b>
09/08/2004	Merger with TXU Gas	GM20040607	Staff Recommendation	Atmos Energy Corporation
10/15/2004	Rate of Return	TC20021076	Supplemental Direct	BPS Telephone Company
06/28/2005	Finance Recommendation	EF20050387	Staff Recommendation	Kansas City Power and Light Company
06/28/2005	Finance Recommendation	EF20050388	Staff Recommendation	Kansas City Power and Light Company
08/31/2005	Finance Recommendation	EF20050498	Staff Recommendation	Kansas City Power and Light Company
11/15/2005	Spin-off of landline operations	IO20060086	Rebuttal	Sprint Nextel Corporation

MATTHEW J. BARNES

EDUCATION AND RATE CASE PARTICIPATION

<b>Date Filed</b>	<b>Issue</b>	<b>Case Number</b>	<b>Exhibit</b>	<b>Case Name</b>
03/08/2006	Spin-off of landline operations	TM20060272	Rebuttal	Alltel Missouri, Inc.
08/08/2006	Rate of Return	ER20060314	Direct	Kansas City Power & Light Company
09/08/2006	Rate of Return	ER20060314	Rebuttal	Kansas City Power & Light Company
09/13/2006	Rate of Return	GR20060387	Direct	Atmos Energy Corporation
10/06/2006	Rate of Return	ER20060314	Surrebuttal	Kansas City Power & Light Company
11/07/2006	Rate of Return	ER20060314	True-Up Direct	Kansas City Power & Light Company
11/13/2006	Rate of Return	GR20060387	Rebuttal	Atmos Energy Corporation
11/23/2006	Rate of Return	GR20060387	Surrebuttal	Atmos Energy Corporation
12/01/2006	Rate of Return	WR20060425	Direct	Algonquin Water Resources of Missouri LLC
12/28/2006	Rate of Return	WR20060425	Rebuttal	Algonquin Water Resources of Missouri LLC
01/12/2007	Rate of Return	WR20060425	Surrebuttal	Algonquin Water Resources of Missouri LLC
02/07/2007	Finance Recommendation	GF20070220	Staff Recommendation	Laclede Gas Company



MATTHEW J. BARNES

EDUCATION AND RATE CASE PARTICIPATION

<b>Date Filed</b>	<b>Issue</b>	<b>Case Number</b>	<b>Exhibit</b>	<b>Case Name</b>
05/04/2007	Rate of Return	GR20070208	Direct	Laclede Gas Company
07/24/2007	Rate of Return	ER20070291	Direct	Kansas City Power and Light Company
08/30/2007	Rate of Return	ER20070291	Rebuttal	Kansas City Power and Light Company
09/20/2007	Rate of Return	ER20070291	Surrebuttal	Kansas City Power and Light Company
11/02/2007	Rate of Return	ER20070291	True-up Direct	Kansas City Power and Light Company
02/01/2008	Finance Recommendation	EF20080214	Staff Recommendation	Kansas City Power and Light Company
02/22/2008	Rate of Return	ER20080093	Cost of Service Report	The Empire District Electric Company
04/04/2008	Rate of Return	ER20080093	Rebuttal Testimony	The Empire District Electric Company
04/25/2008	Rate of Return	ER20080093	Surrebuttal Testimony	The Empire District Electric Company
08/18/2008	Rate of Return	WR20080311	Cost of Service Report	Missouri-American Water Company
09/30/2008	Rate of Return	WR20080311	Rebuttal Testimony	Missouri-American Water Company

MATTHEW J. BARNES

EDUCATION AND RATE CASE PARTICIPATION

<b>Date Filed</b>	<b>Issue</b>	<b>Case Number</b>	<b>Exhibit</b>	<b>Case Name</b>
10/16/2008	Rate of Return	WR2008031	Surrebuttal Testimony	Missouri-American Water Company
02/26/2010	Fuel Adjustment Clause	ER20100130	Cost of Service Report	The Empire District Electric Company
04/02/2010	Fuel Adjustment Clause	ER20100130	Rebuttal Testimony	The Empire District Electric Company
04/23/2010	Fuel Adjustment Clause	ER20100130	Surrebuttal Testimony	The Empire District Electric Company
02/23/11	Fuel Adjustment Clause	ER20110004	Cost of Service Report	The Empire District Electric Company
04/22/11	Fuel Adjustment Clause	ER20110004	Rebuttal Testimony	The Empire District Electric Company
04/28/11	Fuel Adjustment Clause	ER20110004	Surrebuttal Testimony	The Empire District Electric Company
05/06/11	Fuel Adjustment Clause	ER20110004	True-up Direct Testimony	The Empire District Electric Company
10/21/11	Costs for the Phase-In Tariffs	ER20120024	Direct Testimony	KCP&L Greater Missouri Operations Company
11/17/11	Rate of Return	WR20110337	Cost of Service Report	Missouri-American Water Company
08/09/12	Fuel Adjustment Clause	ER20120175	Staff Report	KCP&L Greater Missouri Operations Company
09/12/12	Fuel Adjustment Clause	ER20120175	Rebuttal Testimony	KCP&L Greater Missouri Operations Company

MATTHEW J. BARNES

EDUCATION AND RATE CASE PARTICIPATION

<b>Date Filed</b>	<b>Issue</b>	<b>Case Number</b>	<b>Exhibit</b>	<b>Case Name</b>
10/10/12	Fuel Adjustment Clause	ER20120175	Surrebuttal Testimony	KCP&L Greater Missouri Operations Company
11/30/12	Fuel Adjustment Clause	ER20120345	Cost of Service Report	The Empire District Electric Company
12/13/14	Fuel Adjustment Clause	ER20120345	Class Cost of Service Report	The Empire District Electric Company
01/16/13	Fuel Adjustment Clause	ER20120345	Rebuttal Testimony	The Empire District Electric Company
02/14/13	Fuel Adjustment Clause	ER20120345	Surrebuttal Testimony	The Empire District Electric Company
12/05/14	Fuel Adjustment Clause	ER20140258	Cost of Service Report	Ameren Missouri
12/19/14	Fuel Adjustment Clause	ER20140258	Class Cost of Service Report	Ameren Missouri
01/16/15	Fuel Adjustment Clause	ER20140258	Rebuttal Testimony	Ameren Missouri
02/06/15	Fuel Adjustment Clause	ER20140258	Surrebuttal Testimony	Ameren Missouri
03/17/15	Fuel Adjustment Clause	ER20140258	True-up Direct Testimony	Ameren Missouri
07/15/16	Fuel Adjustment Clause	ER20160156	Staff Report Revenue Requirement Cost of Service	KCP&L Greater Missouri Operations Company

MATTHEW J. BARNES

EDUCATION AND RATE CASE PARTICIPATION

<b>Date Filed</b>	<b>Issue</b>	<b>Case Number</b>	<b>Exhibit</b>	<b>Case Name</b>
07/29/16	Fuel Adjustment Clause	ER20160156	Staff Report Rate Design	KCP&L Greater Missouri Operations Company
10/13/16	Rate of Return	SR20160202	Rebuttal Testimony	Raccoon Creek Utility Operating Company
10/13/17	Rate of Return	WR20170259	Direct Testimony	Indian Hills Utility Operating Company
12/13/17	Class Cost of Service/Rate Design	WR20170285	Staff's Class Cost of Service and Rate Design Report	Missouri American Water Company
01/24/18	Special Contracts	WR20170285	Rebuttal Testimony	Missouri American Water Company
02/09/18	Class Cost of Service/Rate Design	WR20170285	Surrebuttal Testimony	Missouri American Water Company