

Exhibit No.	
Issue:	Rate Design
Witness:	Michael Duffy
Type of Exhibit:	Direct Testimony
Sponsoring Party:	City of Riverside
Case Number:	WR-2010-0131
Date Prepared:	March 26, 2010

Missouri-American Water Company

WR-2010-0131

Direct Testimony of

Michael Duffy

Before the
Missouri Public Service Commission

On behalf of

City of Riverside

March 26, 2010

1 Missouri-American Water Company

2 WR-2010-0131

3 Direct Testimony of Michael Duffy

4 **Q PLEASE STATE YOUR NAME.**

5 A My name is Michael Duffy.

6 **Q ON WHOSE BEHALF ARE YOU APPEARING FOR THE PURPOSES OF THIS**
7 **DIRECT TESTIMONY?**

8 A I am appearing for purposes of this testimony on behalf of intervenor City of Riverside (the
9 “City”). The City receives service directly and its residents also receive service from
10 Missouri-American Water Company (“MAWC”).

11 **Q PLEASE DESCRIBE YOUR EMPLOYMENT.**

12 A I am Director of Community Development for the City.

13 **Q WHAT IS YOUR INTEREST IN THIS PARTICULAR CASE?**

14 A I am testifying as a representative of the City, which is attempting to protect its citizens in
15 the present case. The City is within the Parkville District, subject to the Platte County water
16 tariff at issue in this case.

17 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

18 A The purpose of my testimony is to describe certain issues with respect to the rate design and
19 proposed rate increases by MAWC in the Parkville District.

20 **Q WHAT IS THE CITY’S POSITION REGARDING THE RATE DESIGN IN THE**
21 **PARKVILLE DISTRICT?**

1 A The City would like to express its appreciation that MAWC has proposed to maintain a
2 uniform declining block rate structure for the Parkville District. We believe that maintaining
3 this rate structure reasonably reflects cost and minimizes the impact on the City's citizens.

4 **Q WHAT IS THE CITY'S POSITION REGARDING MAWC'S PROPOSED RATE**
5 **INCREASES FOR THE PARKVILLE DISTRICT?**

6 A While the City supports the cost-based uniform declining block rate structure that MAWC
7 proposes to maintain, we believe that MAWC's proposed rate increases of approximately
8 36% for the monthly minimum meter charges are disproportionately large when compared to
9 the percentage increases for other charges (e.g., there are proposed rate increases of
10 approximately 25.7% for volumetric charges). We believe that such large and
11 disproportionate rate increases are inappropriate, especially in the current economic
12 environment.

13 **Q BASED ON THE FOREGOING, WHAT RELIEF ARE YOU REQUESTING IN**
14 **RELATION TO THESE ISSUES?**

15 A The City requests that any rate increases be made on a uniform percentage basis (e.g., the
16 percentage increase for the monthly minimum meter charges should be equal to the
17 percentage increase for volumetric charges, etc.), and that the Commission take such action
18 as is necessary and reasonable to limit the amount of any increase in the monthly minimum
19 meter charges, taking into consideration the current economic environment. We believe that
20 limiting MAWC's proposed rate increases in this manner will help to maintain and preserve
21 the current rate design for the Parkville District, which we believe is just and reasonable.

22 **Q DOES THAT CONCLUDE YOUR TESTIMONY?**

23 A Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38

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 Michael Duffy

State of Missouri)
County of Platte) ss.

Michael Duffy, being first duly sworn, on his oath states:

- 1. My name is Michael Duffy. I am Director of Community Development for the City of Riverside.
- 2. The above Direct Testimony in question and answer form was prepared by me, or at my direction.
- 3. I hereby swear and affirm that the aforesaid written direct testimony is true and accurate to the best of my present knowledge, information and belief.

Michael Duffy
Michael Duffy

Subscribed and sworn to before me on this 26th day of March, 2010.

Robin L. Littrell
Notary Public

My commission expires:

