

*Exhibit No.:*  
*Issue(s):* Hydrant Maintenance  
Valve Maintenance  
*Witness:* Christopher D. Caldwell  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Rebuttal Testimony  
*Case No.:* WR-2020-0344  
*Date Testimony Prepared:* January 21, 2021

**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL AND BUSINESS ANALYSIS DIVISION**  
**AUDITING DEPARTMENT**

**REBUTTAL TESTIMONY**  
**OF**  
**CHRISTOPHER D. CALDWELL**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WR-2020-0344**

*Jefferson City, Missouri*  
*January 2021*



Rebuttal Testimony of  
Christopher D. Caldwell

1           A.     Prior to 2017, MAWC performed hydrant and valve maintenance on an as  
2 needed basis and when time allowed. While hydrants can be inspected independently of other  
3 maintenance work, often times a valve was discovered to be inoperable or in need of repair only  
4 during a main break. During MAWC's last general rate Case No. WR-2017-0285, the  
5 Company had begun to develop hydrant maintenance and valve maintenance programs to  
6 ensure a more consistent and more uniform review of hydrants and valves in its territories.  
7 MAWC was developing these programs, at least partly, to address concerns brought up by the  
8 Utility Workers Union, Local 335, as well as other issues raised by MAWC in prior rate case  
9 proceedings. Since the 2017 rate case, MAWC has been performing this work on a more  
10 scheduled basis.

11           Q.     In its review of MAWC's hydrant and valve maintenance records, has Staff  
12 come across any concerns?

13           A.     Yes. Staff discovered issues surrounding the non-labor aspect of hydrant and  
14 valve maintenance expense and how that expense is currently recorded with main break  
15 expense. Staff believes that it would be more accurate and easier to separately determine the  
16 ongoing level of non-labor costs related to main breaks, valve, and hydrant maintenance as the  
17 programs and schedules for valve and hydrant maintenance may be different from main break  
18 expense maintenance since the establishment of programs specifically developed for hydrants  
19 and valves. Staff's review of the non-labor costs associated with hydrant and valve inspection,  
20 maintenance, and repair revealed that MAWC currently records the non-labor maintenance in  
21 a manner that does not permit Staff to review the non-labor costs related to main breaks, valve,  
22 and hydrant maintenance separately and thus Staff cannot normalize these costs based on  
23 specific program information.

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1 Q. Has Staff relayed its concerns to MAWC and does MAWC have the ability to  
2 do as Staff is requesting?

3 A. Yes. Staff has had multiple discussions with MAWC personnel to discuss this  
4 issue, and has participated in a demonstration of the software abilities that MAWC has for the  
5 recording of these costs. MAWC began using a software called MapCall in January 2018 to  
6 support its daily business activities and programs. MapCall is a work and asset management  
7 software that allows different areas of business operations to interact and update related data.  
8 Specifically, MAWC uses Mapcall for incident recording; equipment inspections such as  
9 hydrants, valves, pumps and manholes; work order creation and completion; permit tracking;  
10 restoration activities; asset and work reporting; assigning and reassigning work, and service line  
11 management. The work orders and all related data are entered and executed through MapCall  
12 and then the cost data is transferred to the general ledger through certain work order coding  
13 once work is complete.

14 Q. What does Staff recommend regarding MAWC's recording of non-labor  
15 hydrant and valve maintenance?

16 A. Staff recommends that the Commission order MAWC to separately record its  
17 various non-labor maintenance costs, and specifically to work with Staff in determining a  
18 method of separating the non-labor costs into separate categories of accounts or unique coding  
19 in the general ledger for hydrants, valves, main breaks, and other related items. Also, MAWC  
20 needs to have a standard system and associated training for how work orders are established  
21 regarding each type of non-labor maintenance expense in MapCall. This system and training  
22 should be based on the new division of maintenance expense and how work orders are posted  
23 to the general ledger based on that new division of expense. This will make it easier for Staff

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1 to be able to verify ledger information with invoices as well as notating which profit center a  
2 work order should be recorded to.

3 MAWC has suggested, and Staff agrees, that prior to the beginning of its next rate case,  
4 a meeting between MAWC and Staff would be the most efficient and effective path to resolve  
5 various general ledger recording concerns that have come to light during Staff's investigation.

6 Q. Does this conclude your rebuttal testimony in this proceeding?

7 A. Yes, it does.

