

*Exhibit No.:*  
*Issue(s):* *Dues and Donations*  
*Witness:* *Jane C. Dhority*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *WR-2020-0344*  
*Date Testimony Prepared:* *January 15, 2021*

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL and BUSINESS ANALYSIS DIVISION**

**AUDITING DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**JANE C. DHORITY**

**MISSOURI-AMERICAN WATER COMPANY**

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

*Jefferson City, Missouri*  
*January 2021*



1 Companies (NAWC). Additionally, she removed costs associated with certain attorney  
2 registration fees. Finally, Ms. Conner included in her disallowances costs occurring outside of  
3 the January 1, 2019, through December 31, 2019 test year.

4 Q. Does Staff agree with Ms. Conner's treatment of these costs?

5 A. Not entirely.

6 Q. How did Staff approach the costs associated with these organizations?

7 A. Rather than disallowing the entire cost of each membership, Staff disallowed a  
8 portion of each organization's dues based on its lobbying percentages.

9 Q. What has Staff disallowed as attributable to lobbying activities?

10 A. Staff has disallowed the lobbying portion of costs associated with the AWWA,  
11 the NAWC, and the NIRI.

12 Q. How did Staff determine the proportion of lobbying costs for each entity?

13 A. Staff received emails from the AWWA and the NAWC (attached to this  
14 testimony as Schedules JCD-r1 and JCD-r2, respectively) that state the proportion of lobbying  
15 costs to total costs for their respective entities. The lobbying percentage for the NIRI is listed  
16 on the organization's website.

17 Q. Why has Staff allowed recovery of the non-lobbying portion of dues attributable  
18 to the AWWA, the NAWC, and the NIRI?

19 A. Staff has allowed recovery of the non-lobbying portion of these dues as they are  
20 beneficial to MAWC as well as the ratepayers. The AWWA, the NAWC, and the NIRI are not  
21 solely lobbying organizations. The main function of the AWWA is the performance of  
22 research and development activities to lead to the implementation of new technology; the  
23 NAWC fosters collaboration and sharing of best practices in order to protect public health,

1 promote environmental stewardship and deliver sustainable solutions; and the NIRI advances  
2 engagement in the capital markets and drives best practices in corporate disclosures,  
3 governance, and informed investing. Only a small portion of each of these organization's  
4 activities are attributable to lobbying and, therefore, Staff has allowed recovery of all but  
5 those amounts.

6 Q. How did Staff approach costs attributable to the NACD?

7 A. Staff did not include any costs attributable to the NACD in its case as they were  
8 incurred in 2020, which is outside of the test year. It is inappropriate to "disallow" costs that  
9 occurred past the test year cutoff, as the costs are not included in the test year in the first place.  
10 To reach past the end of the test year on this issue violates the matching principle of the historic  
11 test year for revenues/expenses/investment as dues and donation is not considered to be a  
12 true up issue.

13 Q. How has Staff approached costs relating to attorney registration fees?

14 A. OPC proposed disallowance of attorney registration fees incurred outside of the  
15 January 1, 2019, through December 31, 2019 test year. As stated above, this is incorrect. Staff  
16 has allowed the remaining attorney registration fees booked in the test year but is still seeking  
17 further information regarding the percentage of work the attorneys are performing for MAWC.  
18 Staff may recommend disallowing a portion of these costs upon further review if Staff  
19 determines that the work done by the attorneys is not beneficial to MAWC ratepayers or is  
20 already being performed by MAWC attorneys.

21 Q. Does this conclude your rebuttal testimony?

22 A. Yes.

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

In the Matter of Missouri-American Water )  
Company's Request for Authority to )  
Implement General Rate Increase for Water ) Case No. WR-2020-0344  
and Sewer Service Provided in Missouri )  
Service Areas )

**AFFIDAVIT OF JANE C. DHORITY**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COME NOW JANE C. DHORITY** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Jane C. DhORITY*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Jane C. DhORITY  
**JANE C. DHORITY**

**From:** [Patrick Biddle](#)  
**To:** [Dhority, Jane](#)  
**Subject:** AWWA Lobbying  
**Date:** Thursday, November 12, 2020 1:37:10 PM  
**Attachments:** [image001.png](#)

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Hello Jane,

Please see below,

The following is the lobbying information reported by the American Water Works Association.

AWWA reported \$200,044 total lobbying expenditures on 2019 Form 990 Schedule C. Those expenses were primarily related to the Water Matters! Fly In. There were no expenses related to overt political activity such as campaign contributions and no payments were made to professional lobbyists.

Dues reported on AWWA's 2019 Form 990 Part VIII were \$13,303,709. This makes total lobbying expenditures calculate out at 1.5% of total dues. This percentage is not a statistic reported on the Form 990.

Any deductibility questions should be addressed to your tax preparer.

AWWA's 2020 information will not be available until June 2021.

Please let me know if you need any more information.

Thank you,

Patrick Biddle  
Association Services Representative  
American Water Works Association  
**Direct 303.734.3513 Fax 303.347.0804**  
[service@awwa.org](mailto:service@awwa.org) [www.awwa.org](http://www.awwa.org)  
Register now for our December 8-10 Virtual Summit!



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Schedule JCD-r1  
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American Water Works Association  
Dedicated to the World's Most *Important* Resource ®

**From:** [Rik Hull](#)  
**To:** [Dhority, Jane](#)  
**Subject:** National Association of Water Companies Dues Related to Lobbying Activities  
**Date:** Wednesday, January 06, 2021 1:41:56 PM  
**Attachments:** [image001.png](#)

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Jane – per our conversation, for 2019 15% of dues paid to the National Association of Water Companies were used for lobbying activities.

Please do not hesitate to let me know if you have any further questions.

Rik

Rikardo J. Hull  
EVP, Strategy & External Affairs  
National Association of Water Companies  
(717) 439-8852

