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Exhibit No. 3

The Raytown Water Company – Exhibit 3
Thompson
Surrebuttal
File No. WR-2023-0344

Exhibit No.	
Issues:	AMI, Vehicle Purchase
Witness:	Chiki Thompson
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	The Raytown Water Company
File No.:	WR-2023-0344
Date:	November 8, 2023

Missouri Public Service Commission

Surrebuttal Testimony

of

Chiki Thompson

On Behalf of

The Raytown Water Company

November 8, 2023

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**SURREBUTTAL TESTIMONY OF
CHIKI THOMPSON
THE RAYTOWN WATER COMPANY**

1 **I. WITNESS INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Chiki Thompson. My business address is 10017 E. 63rd Street,
4 Raytown, Missouri 64133.

5 **Q. WHAT IS YOUR POSITION WITH THE RAYTOWN WATER COMPANY?**

6 A. I am the Vice President of The Raytown Water Company (“Raytown Water” or
7 “Company”).

8 **Q. ARE YOU THE SAME CHIKI THOMPSON THAT PREVIOUSLY FILED DIRECT
9 TESTIMONY AND REBUTTAL TESTIMONY IN THIS CASE?**

10 A. Yes.

11

12 **II. PURPOSE**

13 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS
14 CASE?**

15 A. The purpose of my surrebuttal testimony is to respond to certain aspects of the
16 rebuttal testimonies of Office of the Public Counsel (“OPC”) witnesses Geoff Marke
17 and Angela Schaben.

18

1 **III. AMI**

2 **Q. OPC WITNESS MARKE INDICATES THAT MERELY PUTTING LOCKS ON THE**
3 **COMPANY’S METER WELLS WOULD HAVE COST APPROXIMATELY**
4 **\$20,000. (MARKE REB., P. 4) WAS IT POSSIBLE TO JUST ADD LOCKS TO**
5 **THE EXISTING METER WELLS?**

6 A. No.

7 **Q. WHY NOT?**

8 A. Metal lids were cast without locking capability. There is no way to secure them
9 unless you put 2 locks on the lid. Moreover, MTU will not transmit readings through
10 metal. Metal reflects the radio frequency and bounces it to the bottom of the well.

11 **Q. SO THE NEW LOCKING LIDS WERE REQUIRED IN ORDER TO SECURE THE**
12 **METER WELLS?**

13 A. Yes.

14 **Q. WHAT WAS THE COST OF THE LOCKING LIDS?**

15 A. The lids themselves had the following costs:

16

Item Description	Qty Ordered	Unit Price	Line Total Amount
12.0" POLYMER WORM GEAR. BLACK. WATER LOGO. FLAT. MUE 11	800	\$ 43.00	\$ 34,400.00
12.5" POLYMER WORM GEAR. BLACK. WATER LOGO. FLAT. TYPE LCX	300	\$ 44.20	\$ 13,260.00
11.5" POLYMER WORM GEAR. BLACK. WATER LOGO. FLAT. CRESCENT	5,800	\$ 41.82	\$ 242,556.00

17

18

19 **Q. WHAT WAS THE TOTAL COST FOR THE LOCKING LIDS AND THE**
20 **INSTALLATION?**

21 A. \$290,216.

1 **Q. OPC WITNESS MARKE SUGGESTS THAT “THE COMPANY SHOULD HAVE**
2 **SECURED LOCKS ON THE METER WELLS YEARS AGO.” (MARKE REB., P.**
3 **4) WOULD THAT HAVE BEEN POSSIBLE OR PRACTICAL PRIOR TO THE**
4 **INSTALLATION OF THE AMI SYSTEM?**

5 A. No. First, the old lids were not manufactured for locks. Thus, the Company would
6 have needed to hire someone to drill and/or plasma cut all lids, install 2 custom
7 locks on each lid. This would be very time-consuming and costly, and resulted in
8 locks on lids that were not designed for that purpose. Moreover, as I indicated in
9 my Direct Testimony, the Company has a very difficult time getting all meters read
10 manually as it is. Adding the time to unlock and relock each of the meters during
11 that process would guarantee that the meters would not be timely read.

12 **Q. DR. MARKE FURTHER SUGGESTS THAT THE COMPANY WILL STILL NEED**
13 **METER READERS FOR DISCONNECT AND RECONNECT AND COST FOR**
14 **CUSTOMERS WILL ULTIMATELY BE GREATER. (MARKE REB., P. 4) DO YOU**
15 **AGREE WITH THAT ASSESSMENT?**

16 A. No. As indicated in my earlier testimonies, Raytown Water needs additional
17 employees to care for and maintain the system and these employees will assist us
18 in caring for the system. Having said that, the Company believes in attempting to
19 make contact with customers in involuntary disconnection situations. A copy of
20 our collection procedures is attached as **Schedule CT-1-S**.

1 **Q. OPC WITNESS MARKE SUGGESTS THAT THERE ARE FINANCIAL**
2 **BENEFITS FOR RWC ASSOCIATED WITH THE INSTALLATION OF THE AMI.**
3 **(MARKE REB., P. 6) HOW DO YOU RESPOND?**

4 A. First, his statements again ignore the fact that Raytown Water needed to replace
5 many meters. Second, has been pointed out, the Company was able to finance
6 this entire project utilizing extremely reasonable funds through the EIERA process,
7 overall lowering its rate of return in the absence of that debt. Third, Dr. Marke
8 suggests the fact that there will be additional AMI that will come into rate base in
9 the next rate case. Another way to say this is that, as a result of regulatory lag,
10 Raytown Water's rate base will be reduced by depreciation such that the Company
11 will never receive a return on or of a substantial portion of the AMI investment.
12 Lastly, Dr. Marke suggest that the fact the Company will no longer need to
13 manually read over 6,500 meters is a benefit. With that I agree and would go
14 further to say that this is a benefit to the Company as well as the customers, as the
15 time that is currently spent on that activity will be spent on the many other activities
16 that will help the quality of service delivered.

17 **Q. IN YOUR REBUTTAL TESTIMONY, ON PAGE 8, YOU ESTIMATED THAT AS**
18 **OF 2023, APPROXIMATELY 80% OF RAYTOWN WATER'S 5/8"X 3/4"**
19 **METERS AND 100% OF METERS 1" AND LARGER WERE DUE TO BE**
20 **REMOVED AND REPLACED. HAVE YOU HAD AN OPPORTUNITY SINCE**
21 **THEN TO TAKE A CLOSER LOOK AT THIS PERCENTAGE?**

1 A. Yes. Since that time, we have pulled the specific installation information related to
2 each of the 6,846 meters that were installed prior to the AMI project. It appears
3 from my closer review that we were able to continue our normal change out
4 program through 2016 (rather than 2015, as I stated before). An examination of
5 this information reveals that approximately 59% of Raytown Water's 5/8" and 3/4"
6 meters and 96% of meters 1" and larger were due to be removed and replaced
7 prior to the installation of AMI.

8 **Q. WHAT PERCENTAGE OF AMI METERS INSTALLATIONS HAS STAFF**
9 **INCLUDED IN ITS REVENUE REQUIREMENT?**

10 A. 45.12%.

11

12 **IV. VEHICLE PURCHASE**

13 **Q. OPC WITNESS SCHABEN NOTES THAT THE COMPANY HAD ORIGINALLY**
14 **PLANNED TO PURCHASE NINE (9) NEW VEHICLES BUT HAS ONLY**
15 **PURCHASED EIGHT (8) (SCHABEN REB., P. 3) WHY IS THAT?**

16 A. The original estimates were prepared in 2020. The Company filed its Notice of
17 Intent to File Application for Authorization to Finance Advanced Metering
18 Infrastructure and New Vehicles on June 25, 2021, in File No. WF-2021-0427. By
19 the time the financing case was completed, the bond process was closed, and the
20 vehicles were purchased in 2022, prices had increased.

21 **Q. MS. SCHABEN INDICATES THAT VEHICLES WERE PURCHASED IN**
22 **FEBRUARY OF 2023. (SCHABEN REB., P. 2) IS THAT NOT CORRECT?**

1 A. No. I believe that the 2023 date likely resulted from a typo in a prior data request
2 response. The vehicles were actually purchased between May 2022, and
3 December 2022.

4 **Q. DID RAYTOWN WATER SPEND THE SAME AMOUNT FOR EIGHT VEHICLES**
5 **THAT HAD BEEN ESTIMATED FOR NINE?**

6 A. The cost for the eight vehicles was less than what had been originally estimated
7 for nine.

8 **Q. DOES RAYTOWN WATER PLAN TO PURCHASE A NINTH VEHICLE?**

9 A. No, not in the near future.

10 **Q. OPC WITNESS SCHABEN NOTES THAT THE COMPANY BOARD MINUTES**
11 **DID NOT REFLECT CONSIDERATION OF ANY FORMAL BIDS IN**
12 **CONJUNCTION WITH THE VEHICLE PURCHASE. (SCHABEN REB., P. 4) IS**
13 **THAT ACCURATE?**

14 A. Yes.

15 **Q. DOES THAT MEAN THERE WAS NO COMPARISON OF VEHICLE OPTIONS**
16 **AND PRICES AS A PART OF THAT PURCHASE DECISION?**

17 A. No. As explained in Mr. Clevenger's Rebuttal Testimony, prior to the purchase
18 decision I spent a fair amount of time discussing and negotiating with dealerships
19 as to the Company's vehicle needs, what vehicles were available, and at what
20 price those vehicles could be obtained. Ultimately, we felt that we got the best
21 price available for the vehicles that were available.

1 **Q. MS. SCHABEN'S ULTIMATE RECOMMENDATION IS THAT IF RAYTOWN**
2 **WATER DOES NOT COMPETITIVELY BID ANY NINTH VEHICLE IT MAY**
3 **PURCHASE, NO RECOVERY FOR SUCH VEHICLE SHOULD BE ALLOWED.**
4 **(SCHABEN REB., P. 6) HOW DO YOU RESPOND TO THAT**
5 **RECOMMENDATION?**

6 A. First, the Company is not necessarily opposed to seeking bids before buying
7 another vehicle. However, it seems inappropriate to try and make ratemaking
8 decisions now for a vehicle that has not yet been purchased and may, or may not,
9 ever be purchased.

10 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

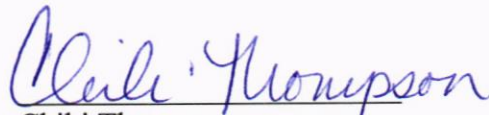
11 A. Yes, it does.

VERIFICATION OF CHIKI THOMPSON

STATE OF MISSOURI)
)
COUNTY OF Jackson)

I, Chiki Thompson, of lawful age, under penalty of perjury, and pursuant to Section 509.030, RSMo, state as follows:

1. My name is Chiki Thompson. I am the Vice President for The Raytown Water Company. My business address is 10017 E. 63rd Street, Raytown, Missouri 64133.
2. My surrebuttal testimony on behalf of The Raytown Water Company is attached to this verification.
3. My answers to each question in the attached surrebuttal testimony are true and correct to the best of my knowledge, information, and belief.


Chiki Thompson

11/6/23
Date

Collection (Shut-off) Procedure 2023

On the day following the due date, complete the following tasks:

1. Post all payments from online payments & drop box first thing in the morning.
2. After payments are posted, assess late fees.
3. Update Website for customer portal.
4. Print first Delinquent Notice with Disconnect Date and mail with Financial Assistance information.
5. 4 days after first Delinquent Notice, post all available payments in the morning and mail 2nd Delinquent Notice advising of the Disconnect date.

Day before Disconnect Date

After payments for the day are posted, print out list of accounts with Door notes for all accounts that are 10+ days past due.

1. Review each account to confirm following:
 - a. Delinquent notices sent are valid (no payment/partial payment applied after delinquent notices mailed.)
 - b. Any "Medical Exception flagged" Customer which may need additional notification
 - c. Remove any accounts which may have payment arrangements.
 - d. Issue "Shut-off" workorders on all delinquent accounts that do not have any arrangements.
 - e. Issue initial Shut-Off list thru Crystal Reports. Ensure to use the correct date and account range.

Disconnect Date:

Morning of Disconnect Date, complete the following:

1. Post all payments from online payments & drop box first thing in the morning.
2. Accounts which paid prior to 7am are removed from the list and "Shut-off" work order is cancelled in account.
3. Review remaining accounts for any last minute exceptions/arrangements
4. Print out the "Shut-off" list
5. Copy remaining door notes on to 24# pink billing stock, fold, staple, hole punch and rubber band.
6. Give copy of list to Customer Service Techs.
7. Give copy of list with door notes to Meter Reader/Service Tech to Shut-off water.

After water is shut off, Meter Reader/Service Tech brings completed list back to office and gives to Billing/Collection Tech to complete the following:

1. Close out work orders with the date, time, current meter read and any other information which may be noted. (*i.e. Vacant/House for Salem, parked on meter well*).
2. Closing the work order assess the appropriate fees for disconnect and reconnect.
3. Assess any deposits which may be required in order to reinstate the account.
4. After all work orders have been closed out and appropriate fees assessed, update Website for customer portal.
5. After payment is received, the customer address is placed on the list for "Turn-on".

The first available Meter Reader/Service Tech after all shut-off workorders are completed, will start on the list of customers to be "Turned-on".