MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

FINANCIAL ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

CHRISTOPHER C. WALTERS

LIBERTY UTILITIES (Missouri Water), LLC,
d/b/a LIBERTY

CASE NO. WR-2024-0104

Jefferson City, Missouri
September 2024

TABLE OF CONTENTS OF

REBUTTAL TESTIMONY OF

CHRISTOPHER C. WALTERS

LIBERTY UTILITIES (Missouri Water), LLC,

d/b/a LIBERTY

CASE NO. WR-2024-0104

REBUTTAL TESTIMONY OF

CHRISTOPHER C. WALTERS

LIBERTY UTILITIES (Missouri Water), LLC,
d/b/a LIBERTY

CASE NO. WR-2024-0104

I. INTRODUCTION

Q.   Please state your name and business address.

A.   My name is Christopher C. Walters. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q.   Are you the same Christopher C. Walters who previously filed direct testimony on behalf of the Staff of the Missouri Public Service Commission ("Commission") on August 20, 2024?

A.   Yes, I am.

Q.   What is the purpose of your rebuttal testimony?

A.   The purpose of my rebuttal testimony is to respond to the direct testimony of Liberty Utilities (Missouri Water), LLC, d/b/a Liberty ("Liberty Water") witness John Cochrane. My silence with regard to any position taken by Liberty Water in its application or direct testimony in this proceeding does not indicate my endorsement of that position.

II. SUMMARY

Q.   Please summarize your rebuttal testimony.

A.   The balance of this testimony will respond to the recommendations offered by Mr. Cochrane and the analyses he relied upon in support of his recommendations. I demonstrate that his recommended range of 10.19% and 10.94%, with his midpoint return on equity

1 ("ROE") estimate of 10.62%, is excessive and when reasonable adjustments are made to his

2 analyses, a cost of equity ("COE") closer to 9.45% is produced. I further show that

3 Mr. Cochrane's recommended equity ratio of 52.6% is excessive.

4 ## III. RESPONSE TO MR. COCHRANE

5 ### A. Summary of Mr. Cochrane's Recommendations

6 Q. What overall rate of return ("ROR") is Liberty Water proposing in this base

7 rate case?

8 A. Liberty Water is proposing an overall ROR of 7.98%. This ROR is based on a

9 capital structure including an equity ratio of 52.6% and an authorized ROE of 10.62%.

10 Mr. Cochrane concludes that the reasonable range for Liberty Water's ROE should be between

11 10.19% and 10.94%, with the midpoint being around 10.62%. I have summarized Liberty

12 Water's request below in Table CCW-1R.

13

Table CCW-1R

Liberty Water's Proposed ROR

Description	Weight	Cost Rate	Rate of Return
Long-term Debt	47.39%	5.04%	2.39%
Common Equity	52.61%	10.62%	5.59%
Total	100.00%		7.98%

Schedule JC-14.

14

1   Q.   How did Mr. Cochrane arrive at his COE recommendation for Liberty Water?

2   A.   Mr. Cochrane employed three different methods to estimate the ROE for Liberty

3   Water: the Constant Growth Discounted Cash Flow ("DCF") Model, the Capital Asset Pricing

4   Model ("CAPM"), and the Bond Yield Plus Risk Premium ("BYPRP") Model. Mr. Cochrane

5   also includes a flotation cost adjustment of 0.06%.

6   Q.   What were the results of the models used by Mr. Cochrane to estimate the COE?

7   A.   The results of the models used by Mr. Cochrane to estimate the COE are

8   summarized below in Table CCW-2R.

9

Table CCW-2R

Mr. Cochrane's Model Results

Method	Low	Mid	High
Constant Growth DCF	8.09%	9.34%	10.21%
BYPRP	9.96%	9.99%	10.04%
CAPM	12.33%	12.35%	12.38%
Average	**10.12%**	**10.56%**	**10.88%**
Flotation Cost Adj.	0.06%	0.06%	0.06%
With Flotation Costs	**10.19%**	**10.62%**	**10.94%**

Schedule JC-2.

10

11   Q.   In your opinion, are Mr. Cochrane's recommendations reasonable for

12   Liberty Water?

13   A.   No, they are not. I have several disagreements with Mr. Cochrane's analyses

14   and recommendations, which are summarized as follows:

1   1.   The low-end of Mr. Cochrane's recommended range (i.e., 10.19%)

2   exceeds the highest average authorized ROE (i.e., 10.18%) for water

3   utilities over the last 15 years.[1]

4   2.   Mr. Cochrane's Constant Growth DCF analysis is based on

5   unsustainable growth rates.

6   3.   Mr. Cochrane's CAPM analysis is based on excessive expected market

7   returns and betas that are not representative of investor expectations.

8   4.   Mr. Cochrane's BYPRP analysis is based on a very limited subset of

9   water authorized ROEs beginning in 2010.

10 5.   Mr. Cochrane's flotation cost adjustment is based on cost information

11   unrelated to Liberty Water and has not been proven to be reasonable or

12   justified.

13 6.   Mr. Cochrane's recommended equity ratio of 52.6% is excessive.

14   As I will demonstrate throughout the balance of this testimony, Mr. Cochrane's

15 analyses, assumptions, and interpretations of model results ultimately bias his

16 recommendations upward and overstate the COE for a low-risk rate regulated water

17 delivery utility company like Liberty Water. Correcting for these biases will produce a COE

18 closer to 9.45%.

19 **B. Mr. Cochrane's Recommended Range is Excessive**

20   Q.   Do you have any initial comments on Mr. Cochrane's recommended range of

21 10.19% to 10.94%?

---

[1] Regulatory Research Associates. The highest average authorized ROE since 2009 is 10.18%, which occurred in 2009 and 2010.

1   A.   Yes. Simply comparing Mr. Cochrane's recommended range of 10.19% to

2   10.94% to the last 20 years of water utility authorized ROEs, it is clear that his

3   recommendations are overstated.   For example, the low-end of 10.19% exceeds the

4   national average authorized ROE for water utilities since 2008 when the average was

5   approximately 10.24%. Mr. Cochrane's recommendations should be given little weight on this

6   observation alone.

7   **C. Response to Mr. Cochrane's Constant Growth DCF Analysis**

8   Q.   Please summarize Mr. Cochrane's Constant Growth DCF analysis and results.

9   A.   Mr. Cochrane averaged the closing stock prices over three periods: 30, 90, and

10   180 days ending January 11, 2024, to mitigate the bias introduced by anomalous market

11   conditions. Mr. Cochrane used the latest earnings growth estimates reported by Value Line,

12   Zacks, and Yahoo Finance. Using stock prices from the three averaging periods, Mr. Cochrane

13   developed three ROE estimates based on different earnings growth estimates: Low, Mid, and

14   High. His low, mid, and high growth rates for his proxy group are 5.07%, 6.42%, and 7.60%,

15   respectively.

16   Based on the inputs, Mr. Cochrane's Low, Mid, and High Constant Growth DCF results

17   are 8.09%, 9.34%, and 10.21%, respectively.

18   Q.   What concerns do you have with Mr. Cochrane's Constant Growth

19   DCF analysis?

20   A.   As mentioned above, Mr. Cochrane developed his estimates based on the low,

21   mid, and high growth rates from his various growth rate sources. His "mid" scenario assumes

22   the average growth rate from those sources. His low, mid, and high DCF results are based on

23   growth rates of 5.07%, 6.42%, and 7.60%, respectively. These assumed long-term growth rates

1   compare the projected GDP growth rate of 4.14%. In other words, his proxy group's growth

2   rates are between 22.4% (low growth) and 83.6% (high growth) higher than the expected

3   growth rate of the U.S. economy. Growth rates that exceed the growth rate of GDP in the

4   country in which the utility provides goods and services cannot be sustained. Because of the

5   economic infirmities in his use of an assumed proxy company growth rate that exceeds the

6   expected growth of the US economy in perpetuity, Mr. Cochrane should have given more

7   weight to his low growth DCF results.

8   As described above, the average of his low DCF results is 8.09%. Notably, even the

9   low results are based on a growth rate that exceeds the projected GDP consensus growth rate

10 of 4.14% by approximately 22.5%. It is plausible that even these results overstate the COE for

11 a low-risk water utility company. Because of the economic infirmities in his use of an assumed

12 proxy company growth rate that exceeds the expected growth of the U.S. economy in

13 perpetuity, Mr. Cochrane should have considered the results of a multi-stage DCF.

14   Q.   Is the application of a Multi-Staged Model used in practice?

15   A.   Yes. The Chartered Financial Analyst ("CFA") Institute curriculum text states

16 as follows:

17   Multistage models are a staple valuation discipline of investment
18   management firms using DCF valuation models. A survey of CFA
19   Institute members with job responsibility for equity analysis indicates
20   that, among respondents using a dividend discount model, two-stage and
21   multistage models are used more often than the single-stage model
22   (Stowe, Pinto, and Robinson 2018). Among analysts using a dividend
23   discount model, 55% use a two-stage model, 11% use an H-model
24   (a type of two-stage model), and 50% use a model with more than two
25   stages (Stowe, Pinto, and Robinson 2018).[2]

---

[2] Chartered Financial Analyst Institute, 2023 CFA Program Level 2 Refresher Reading, Equity
Valuation: Discounted Dividend Valuation, at 30. [footnote omitted]

1   As Stowe *et al* have revealed, the majority of equity analysts rely on multi-stage models

2   more frequently than single stage or constant growth models.

3   Mr. Cochrane even went so far as to perform a Multi-Stage DCF analysis in his analysis

4   for Midstates Natural Gas in Docket No. GR-2024-0106. He provides no explanation for its

5   lack of use in this case. As I stated in my direct testimony, a multi-stage DCF allows for the

6   possibility of non-constant growth for a company over time, which provides a much more

7   reasonable estimate of the proxy companies' long-term growth potential.

8   **D. Response to Mr. Cochrane's CAPM Analysis**

9   Q.   Please summarize Mr. Cochrane's CAPM analysis.

10   A.   Mr. Cochrane estimated the risk-free rate by averaging the yields on 30-year

11   constant maturity U.S. Treasury securities over three periods: 30, 90, and 180 days, with each

12   period ending on January 11, 2024. The average yields for these periods were 4.18%, 4.53%,

13   and 4.25%, respectively. He used multiple averaging periods to mitigate bias from transitory

14   market conditions. For the beta coefficient, he used the average beta of 0.83 for the companies

15   in his proxy group as reported by *Value Line*. To calculate the expected market return,

16   he applied the Constant Growth DCF method to companies in the S&P 500 Index as reported

17   by *Value Line*, estimating an expected market return of 13.96%. The market risk premiums,

18   calculated by subtracting the risk-free rates from the expected market return, were 9.77%,

19   9.43%, and 9.70% for the respective periods.

20   Q.   What are the results of Mr. Cochrane's CAPM analysis?

1   A.   Based on the risk-free rate estimates, proxy group average beta, and market risk

2 premium calculations, Mr. Cochrane's CAPM method produced indicated COE results of

3 12.33% to 12.38%, with an average of approximately 12.35%.

4   Q.   What are your concerns with Mr. Cochrane's CAPM analysis?

5   A.   My concerns are two-fold. First, I disagree with Mr. Cochrane's sole reliance

6 on 5-year beta estimates published by *Value Line*. Second, I am concerned with his expected

7 market return, which is ultimately used to derive his market risk premiums.

8   Q.   What are your concerns with Mr. Cochrane's *Value Line* betas?

9   A.   As I mentioned in my direct testimony, all beta estimates calculated over

10 a 5-year historical price period (i.e. *Value Line* betas) will include the unprecedented

11 volatility and market prices caused by the onset of the COVID-19 pandemic in early 2020.

12 It is unreasonable to assume that those prices and resulting volatility resemble investor

13 expectations going forward. Prior to the market fallout from the pandemic, utility beta estimates

14 were at several year lows. Subsequent to the period of peak volatility from the pandemic, utility

15 betas have actually declined back toward their normalized levels. This is demonstrated in

16 Table CCW-3R below. In this table, I present the raw unadjusted beta estimates for the 5-year

17 and 3-year period ending June 21, 2024. I then apply Blume adjustment using the same

18 weighting applied by *Value Line*.[3]

---

[3] The *Value Line* method to calculated adjusted betas is as follows: $B_{adjusted} = 0.35 + 0.67 \times B_{raw.}$

1

	5-Year Beta[1]		3-Year Beta[2]	
Proxy Group	**Unadjusted**	**Adjusted[3]**	**Unadjusted**	**Adjusted[3]**
American Water Works Company, Inc.	0.99	1.01	0.83	0.91
American States Water Company	0.48	0.67	0.61	0.76
California Water Service Group	0.53	0.70	0.68	0.81
Middlesex Water Company	0.67	0.80	0.65	0.78
SJW Group	0.76	0.86	0.55	0.72
Essential Utilities, Inc.	0.91	0.96	0.74	0.85
Eversource Energy	0.85	0.92	0.52	0.70
Atmos Energy Corporation	0.74	0.85	0.60	0.75
Northwest Natural Holding Company	0.61	0.76	0.45	0.65
ONE Gas, Inc.	0.75	0.85	0.48	0.67
Spire Inc.	0.79	0.88	0.47	0.67
Southwest Gas Holdings, Inc.	0.87	0.93	0.49	0.68
Cochrane's Group				
Average	0.72	0.83	0.67	0.80
Median	0.71	0.83	0.66	0.79
Walters' Group				
Average	0.75	0.85	0.59	0.74
Median	0.75	0.85	0.57	0.73

Table CCW-3R

Beta Comparison

Source:
[1]S&P Global Market Intelligence, betas for the period 6/21/2019 - 6/21/2024.
[2]S&P Global Market Intelligence, betas for the period 6/21/2021 - 6/21/2024.
[3]Adjusted using Value Line's Blume adjustment methodology: 0.35+(0.67 x Unadjusted Beta)

2

3   These data clearly demonstrate that systematic market risk has subsided for regulated

4   utilities after controlling for the impacts of the global pandemic and are largely in line with the

5   long-term beta estimates discussed in my direct testimony. Mr. Cochrane's proxy group betas

6   have average and median 3-year beta estimates of 0.80 and 0.79, respectively. These estimates

7   compare to the average and median estimates of 0.83 in the table, or the 0.83 beta estimate

8   relied on by Mr. Cochrane.

9   Q.   What are your concerns with Mr. Cochrane's expected market returns and

10 market risk premiums?

1   A.   Mr. Cochrane estimates the expected market return by performing a constant

2 growth DCF on the individual companies of the S&P 500. His DCF on the market produces a

3 weighted average DCF result of 13.96%. This result assumes a market capitalization weighted

4 adjusted dividend yield of 1.50% and a growth rate of 12.46%. The market risk premiums,

5 calculated by subtracting the risk-free rates from the expected market return, were 9.77%,

6 9.43%, and 9.70% for the respective periods.

7   As an initial matter, his average market risk premium of 9.63% falls well outside of the

8 range 5.00% to 8.00% that is indicated by empirical evidence. These market risk premium

9 estimates exceed the high end of the empirical evidence by approximately 20.4%.[4]

10 For example, Dr. Morin notes in his book, *Modern Regulatory Finance*, that several studies of

11 the market risk premium have concluded that a market risk premium in the range of 5.0%

12 to 8.0% is a reasonable estimate for the United States.[5] For example, the Duarte and Rosa study

13 he cites concludes that the historical mean is "quite difficult to improve upon when considering

14 out-of-sample performance measures."[6] Dr. Morin also notes that a survey of professional

15 practices showed that 71% of textbooks/tradebooks used a historical average as the market risk

16 premium, and 60% of financial advisors used a market risk premium in the range of 7.0%

17 to 7.4% (similar to a long-term arithmetic average market risk premium).[7]

18   In addition to his market risk premiums generally falling well outside of the empirical

19 range, Mr. Cochrane's expected market return derived using the DCF model of 13.96% assumes

---

[4] $(9.63\% \div 8.00\%) - 1 = 20.4\%$

[5] Dr. Morin references studies by Duarte & Rosa; Professors Ross, Westerfield, and Jordan; Mahera; and Brealey, Myers, and Allen. See *Modern Regulatory Finance*, Dr. Roger A. Morin, at 190-192. Dr. Morin notes in his textbook that there is a "slight preference" for the upper end of the range (i.e., 8%) during tumultuous times in capital markets with examples being the 2008-2009 credit crisis and the 2020 pandemic.

[6] See *Modern Regulatory Finance*, Dr. Roger A. Morin, at 191, citing the Duarte and Rosa study.

[7] See *Modern Regulatory Finance*, Dr. Roger Morin, at 190, footnote 35.

1   a perpetual weighted growth rate of the 12.46% for the S&P 500. Importantly, this analysis

2   relies on individual company growth rates as high as 85.0% (Insulet Corporation).

3   Both assumed growth rates are simply irrational and cannot be sustained.

4   The DCF model requires a long-term sustainable growth rate. Mr. Cochrane's assumed

5   market growth rate of 12.46% is far too high to be a rational outlook for sustainable long-term

6   market growth. This growth rate is 3.0x the growth rate of the U.S. GDP long-term growth

7   outlook of 4.14%. The assumed perpetual growth rate of 85% for Insulet Corporation is 20.5x

8   that of the forecasted GDP growth rate.

9   It simply is not reasonable to believe individual companies can sustain growth rates as

10 high as Mr. Cochrane has assumed into perpetuity. In fact, in the CFA curriculum textbooks,

11 the CFA Institute notes as follows with regard to earnings growth rates for companies within

12 the composite indices (i.e., S&P 500):

13   Earnings growth for the overall national economy can differ from the
14   growth of earnings per share in a country's equity market composites.
15   This is due to the presence of new businesses that are not yet included in
16   the equity indices and are typically growing at a faster rate than the
17   mature companies that make up the composites. **Thus, the earnings**
18   **growth rate of companies making up the composites should be lower**
19   **than the earnings growth rate for the overall economy.**
20   [Emphasis added.][8]

21   For these reasons, Mr. Cochrane's traditional CAPM results are excessive and

22 unreliable.

23 **E. Response to Mr. Cochrane's BYPRP Analysis**

24   Q.   Please summarize Mr. Cochrane's BYPRP analysis.

---

[8] CFA Program Curriculum, 2014 Level II Vol. 1, "Ethical and Professional Standards, Quantitative Methods, and Economics", Paul Kutasovic, Reading 15 – Economic Growth and the Investment Decision, page 609, footnote 5. [Emphasis added.]

1   A.   Mr. Cochrane first defined the risk premium as the difference between historical

2   authorized ROEs and the prevailing 30-year Treasury Rate. He used authorized ROEs from

3   water rate case proceedings over the past 13 years and matched these with the corresponding

4   30-year Treasury Rates at the time of each decision. He then plotted a scatterplot to illustrate

5   the relationship between the 30-year Treasury Rates and the risk premia, performing a

6   regression analysis to develop a predictive formula:

7              $RP = \alpha + \beta(T)$
8   where:
9   RP is the risk premium,
10   α is the intercept term,
11   β is the slope term, and
12   T is the 30-year Treasury Rate

13   Q.   What are the results of Mr. Cochrane's BYPRP analysis?

14   A.   The regression analysis produced coefficients of α equal to 0.089503 and β equal

15   to -0.758893. Using these coefficients, Mr. Cochrane applied the 30-, 90-, and 180-day average

16   30-year Treasury rates to the equation to calculate the risk premium. The estimated risk

17   premiums range from 5.52% to 5.78%. Adding the resulting risk premiums to the 30-year

18   Treasury rates, he estimated Liberty Water's COE to be between 9.96% and 10.04%, with an

19   average COE estimate of 9.99%.

20   Q.   What are your concerns with Mr. Cochrane's BYPRP analysis?

21   A.   My concern with Mr. Cochrane's BYPRP analysis is that he has chosen to

22   truncate the data for his risk premium approach by disregarding all observations before 2010.

23   He justifies this 13-year period that he "felt was sufficient enough to provide a representative

24   overview of the relationship between rate case decisions and corresponding Treasury Rates,"

25   but provides no substantial explanation for excluding earlier data. This decision to limit

1   the study period introduces unnecessary subjective bias, which undermines the credibility of

2   his analysis.

3   **F. Response to Mr. Cochrane's Flotation Cost Adjustment**

4   Q.   Please summarize Mr. Cochrane's flotation cost adjustment.

5   A.   Mr. Cochrane estimated Liberty Water's flotation costs by analyzing the costs

6   incurred by the proxy group companies during their two most recent common equity issuances.

7   He then calculated the average flotation costs for the proxy group and adjusted the Constant

8   Growth DCF model to include a dividend yield that accounts for these issuance costs. This

9   adjusted dividend yield is calculated by dividing the current dividend yield by one minus the

10   weighted average flotation costs of the proxy group companies. The difference between the

11   ROE from the adjusted and unadjusted Constant Growth DCF models represents the flotation

12   cost adjustment. Based on this method, Mr. Cochrane estimated that the appropriate adder to

13   Liberty Water's ROE to cover flotation costs is 0.06%.

14   Q.   Please describe your concerns with Mr. Cochrane's proposed flotation

15   cost adjustment.

16   A.   Mr. Cochrane's flotation cost adjustment is not based on the recovery of prudent

17   and reasonable flotation expenses for Liberty Water. Rather, Mr. Cochrane derives a flotation

18   cost adjustment based on generic cost information for his proxy group. Because he does not

19   show that his adjustment is based on Liberty Water's actual and verifiable flotation expenses,

20   there are no means of verifying whether Mr. Cochrane's proposal is reasonable or appropriate.

21   Further, should flotation costs be allowed to be recovered, I believe it is more

22   appropriate to recover them as an expense through cost of service rather than an increase to

1   the ROE. This would allow for Liberty Water's reasonably incurred flotation costs to be

2   allocated in a fair manner to its various operations.

3   **G. Response to Mr. Cochrane's Recommended Equity Ratio**

4   Q.   How did Mr. Cochrane arrive at his capital structure recommendation?

5   A.   Mr. Cochrane began by calculating the average common equity and long-term

6   debt capital structure components for the proxy group companies over the 5-year period of

7   2018-2022, as shown in Direct Schedule JC-12. During this period, the mean and median

8   capital structures for the proxy group were 50.53% and 50.45% common equity, and 49.47%

9   and 49.55% long-term debt, with a range of common equity ratios from 41.72% to 57.52%. He

10 also reviewed forecasted common equity ratios from Value Line for the 2023, 2024, and

11 2026-2028 period. This resulted in a high and low mean common equity range of 51.43% and

12 52.50%, and a high and low median of 50.50% and 53.50% across the three forecasted periods.

13 Q.   What are your concerns with Mr. Cochrane's recommended equity ratio

14 of 52.6%?

15 A.   As an initial matter, Mr. Cochrane acknowledges the mean and median capital

16 structures for the proxy group were both 50.45-50.53% common equity and 49.47-49.55%

17 long-term debt, and range from 41.72% to 57.52%. However, Mr. Cochrane's recommended

18 equity ratio of 52.6% exceeds the mean of 50.53% and median of 50.45%. Mr. Cochrane

19 overlooks the difference in financial risk between Liberty Water and the proxy group he uses

20 to estimate its COE. He then couples this excessive equity ratio with an egregious ROE

21 recommendation. As I explained in my direct testimony, in its *Report and Order* issued in

22 WR-2023-0006 on October 25, 2023, this Commission stated as follows:

1   The Commission finds that Staff's proposed hypothetical capital
2   structure of 50% equity and 50% debt is appropriate in this case.
3   Ratepayers would benefit from having rates calculated from a 50% debt
4   ratio as debt is a cheaper cost than equity; while the shareholders are
5   benefitting from the rates being calculated from a 50% equity ratio as
6   equity generates a greater return than debt. And each side of the
7   ratemaking calculation, ratepayers and shareholders, are protected from
8   the other having a greater share. The Commission finds that a 50/50
9   capital structure in this case will produce just and reasonable rates.[9]

10   As such, I recommend the Commission reject Mr. Cochrane's recommended equity

11 ratio of 52.6%, and instead authorize an equity ratio of no higher than 50.0%. Should the

12 Commission grant Liberty Water an equity ratio higher than 50.0%, an ROE in the lower half

13 of my recommended range (i.e., 9.00% to 9.45%) would be warranted.

14   Q.   Does this conclude your rebuttal testimony?

15   A.   Yes, it does.

---

[9] Missouri Public Service Commission, File No. WR-2023-0006, *Report and Order*, October 25, 2023, at 46.

<p style="text-align:center">**BEFORE THE PUBLIC SERVICE COMMISSION**</p>
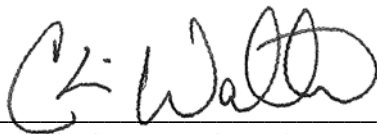
<p style="text-align:center">**OF THE STATE OF MISSOURI**</p>

In the Matter of the Request of Liberty Utilities	)	
(Missouri Water) LLC d/b/a Liberty for	)	Case No. WR-2024-0104
Authority to Implement a General Rate	)	
Increase for Water and Wastewater Service	)	
Provided in its Missouri Service Areas	)	

<p style="text-align:center">**AFFIDAVIT OF CHRISTOPHER C. WALTERS**</p>

STATE OF MISSOURI	)
	) ss.
COUNTY OF ST. LOUIS	)

COMES NOW CHRISTOPHER C. WALTERS and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Christopher C. Walters*; and that the same is true and correct according to his best knowledge and belief.
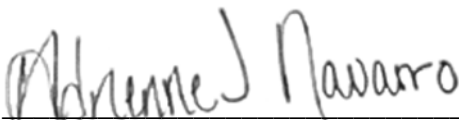
Further the Affiant sayeth not.

_____
CHRISTOPHER C. WALTERS

<p style="text-align:center">**JURAT**</p>

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for St. Louis County, State of Missouri, at my office in Chesterfield, on this 27th day of September 2024.

ADRIENNE JEAN NAVARRO
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: Mar. 22, 2025
Commission # 21989987

_____
Notary Public