

Exhibit No.:	_____
Issue(s):	Rate Design/Tariff Consolidation/ Commodity Charge/Water Usage
Witness/Type of Exhibit:	Seaver/Rebuttal
Sponsoring Party:	Public Counsel
Case No.:	WR-2024-0104

REBUTTAL TESTIMONY

OF

JORDAN SEAVER

Submitted on Behalf of the Office of the Public Counsel

**LIBERTY UTILITIES (MISSOURI WATER) CORP.
D/B/A LIBERTY UTILITIES'**

CASE NO. WR-2024-0104

September 27, 2024

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**REBUTTAL TESTIMONY
OF
JORDAN SEAVER**

Liberty Utilities (Liberty Water) LLC. d/b/a Liberty

CASE No. WR-2024-0104

I. INTRODUCTION

Q. What is your name and what is your business address?

A. My name is Jordan Seaver, and my business address is 200 Madison Street, Governor Office Building, Suite 650, Jefferson City, MO 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Office of Public Counsel (“OPC”) as a Policy Analyst.

Q. Have you previously testified before the Missouri Public Service Commission (“The Commission”)?

A. Yes, I have previously testified before the Missouri Public Service Commission. See Schedule JS-R-1 for my past pre-filed testimony and memoranda.

Q. What are your work and educational backgrounds?

A. I have been employed as a Policy Analyst by OPC since January 2022. I have attended Michigan State University’s Institute of Public Utilities (“IPU”) Accounting and Ratemaking Course, as well as the National Association of Regulatory Utility Commissioners (“NARUC”) Rate School. I previously worked as a Legal Assistant for Cascino Vaughan Law Offices for 7 years. I have a Master of Arts in Philosophy from the University of Wyoming, and a Bachelor of Arts in Philosophy from the University of Illinois at Chicago.

Q. What is the purpose of your Rebuttal testimony in this case?

A. The purpose of this testimony is to respond to the direct testimony of Liberty Water (“Company”) witness Mr. O’Neill and Staff witness Mr. Robertson. The issues that I will address in this testimony are those related to rate design and to the consolidation of tariffs for water and wastewater in the non-Bolivar systems in the Company’s footprint. In addition, I respond to the direct

1 testimony of Staff witness Melanie Marek on the removal of the commodity
2 charge on water usage.

3 **II. RATE DESIGN**

4 **Q. What does the Company recommend regarding the rate design of**
5 **wastewater rates for the Bolivar system?**

6 A. Mr. O'Neill proposes that the rate decrease that results from his class cost of
7 service study ("CCOS") for the Bolivar wastewater system be subtracted from
8 the Liberty Missouri Wastewater system rate increase.

9 **Q. What is the amount of the revenue decrease to the Bolivar wastewater**
10 **system?**

11 A. The decrease in revenues for the Bolivar wastewater system is \$371,122.00.

12 **Q. What effect would there be if this amount was instead removed from**
13 **the non-Bolivar wastewater system revenues?**

14 A. As Mr. O'Neill points out, the decrease in revenues in that amount relative to
15 the Bolivar system is very small, whereas the decrease in revenues in that
16 amount relative to the non-Bolivar wastewater revenues is rather large. This
17 means that the non-Bolivar wastewater systems revenues are much smaller
18 than those of the Bolivar wastewater system. The revenues to be collected in
19 rates from such a proposal become much smaller for the non-Bolivar systems
20 and only increase very slightly for the Bolivar wastewater systems.

21 **Q. Without this proposed alternative rate adjustment, would the**
22 **customers on the non-Bolivar wastewater systems see larger**
23 **increases in their bills?**

24 A. Yes, they would see larger increases to their bills. The reasoning behind the
25 rate consolidation is the same behind this alternative rate adjustment. In

1 keeping with the proposed rate consolidation, the alternative rate adjustment
2 for the non-Bolivar wastewater systems would reduce the overall bill impact
3 for customers by sharing costs rather than incurring them on a strict cost-
4 causative basis.

5 **III. TARIFF CONSOLIDATION**

6 **Q. What is the Company proposing regarding consolidation of its tariffs?**

7 A. The Company is proposing to consolidate all of the tariffs for water systems,
8 excluding Bolivar, into one tariff. The Company is also proposing to
9 consolidate all of the tariffs for wastewater systems, excluding Bolivar, into
10 one tariff. As I understand it, the consolidated tariff would have the same rates
11 for all water systems. The rates for the water tariff would differ between
12 Residential, Commercial, and Industrial customer classes, but not for these
13 across the water systems in Liberty Water's territory, excluding Bolivar. The
14 same applies to the wastewater systems, excluding Bolivar.

15 **Q. Does this mean that the Bolivar water and wastewater systems will**
16 **stay on their own tariffs?**

17 A. Yes, that is right. The Bolivar water and wastewater tariffs will remain
18 separate from the other water and wastewater tariffs consolidated into one,
19 respectively.

20 **Q. Do you agree with Mr. O'Neill that consolidating the tariff books will**
21 **have the effect of spreading out costs of significant investment in**
22 **systems and thus reducing rate shock?**

23 A. I agree with this if the proposed consolidation combined the various systems
24 into one single rate structure. This would mean that all the Company's water
25 systems, for example, shared the same rates for each meter size and customer

1 class. If this were the case, then the effects stated by Company witness Mr.
 2 O'Neill would occur.

3 **Q. Is there a reason that you put this conditionally?**

4 A. Yes. Staff witness Robertson states on page 12 of his direct testimony that the
 5 Company “proposes to consolidate all its individual water tariffs into one single
 6 book and all its individual sewer tariffs into one single book, while ensuring
 7 that all rates and rules specific to individual systems be retained therein.” If
 8 Mr. Robertson is correct that the Company’s proposal will hold “all rates and
 9 rules specific to individual systems” where they are, then the effects that Mr.
 10 O'Neill touts for the consolidation would not occur.

11 **Q. What are the Company’s proposed consolidated rate increases?**

12 A. Company witness Mr. O'Neill shows these proposed rate increases on pages 18
 13 and 19. Below are the proposed customer charge rates taken directly from Mr.
 14 O'Neill’s testimony:

15

		Customer Charge (\$/ Month)							
Tariff Rate Area	Service Type	Customer Class	5/8" Meter	3/4" Meter	1" Meter	2" Meter	3" Meter	4" Meter	6" Meter
Missouri Water	Water	Resi, Comm, Indu	\$ 23.63	\$ 32.04	\$ 49.98	\$ 127.86	\$ 198.31	\$ 313.60	\$ 595.63
Missouri Water Bolivar	Water	Resi	\$ 36.19	\$ 36.19	\$ 36.19	\$ 36.19	\$ 36.19	\$ 36.19	\$ 36.19
		Comm	\$ 42.58	\$ 42.58	\$ 42.58	\$ 42.58	\$ 42.58	\$ 42.58	\$ 42.58
Missouri Water - Wastewater	Wastewater	Resi, Comm	\$ 118.67	\$ 118.67	\$ 118.67	\$ 118.67	\$ 118.67	\$ 118.67	\$ 118.67
Missouri Water Bolivar - Wastewater	Wastewater	Resi	\$ 24.64	\$ 24.64	\$ 24.64	\$ 24.64	\$ 24.64	\$ 24.64	\$ 24.64
		Comm	\$ 27.26	\$ 27.26	\$ 27.26	\$ 27.26	\$ 27.26	\$ 27.26	\$ 27.26

16
 17 As can be seen, the proposed customer charge rates for the Missouri Water
 18 systems are the same for each customer class and only vary by meter size,
 19 increasing as the meter sizes increase. Below are the proposed volumetric
 20 charge rates taken directly from Mr. O'Neill’s testimony:

Tariff Rate Area	Service Type	Customer Class	Proposed Volumetric Charge (\$ / 1,000 Gal.)	
Missouri Water	Water	Resi	\$	10.38
		Comm	\$	13.75
		Indu	\$	11.74
Missouri Water Bolivar	Water	Resi	\$	10.55
		Comm	\$	12.86
Missouri Water - Wastewater	Wastewater	Resi		
		Comm		
Missouri Water Bolivar - Wastewater	Wastewater	Resi	\$	4.42
		Comm	\$	9.19

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Here, the proposed rates are specific to the customer class and are different for each modality.

Q. Do these proposed rates apply the same to all water and wastewater systems, according to modality, in the Liberty Missouri service territory?

A. They should do so, but it is unclear based on the testimony of Staff witness Robertson and the schedules 4.1 and 4.2 filed with Mr. O’Neill’s direct testimony. These schedules show bill impacts for each system (both water and wastewater) and they appear to show what the overall increase will do to each system’s bills per meter size. However, it is still unclear to me if the rates will all become the same for each meter size per rate class, per system (or just for each meter size, depending on which modality is being looked at), or if the same increase is being applied to all the rates in the same way. If it is the former, then the bill impacts and rate shock will be lessened. If it is the latter, then bill impacts and rate shock will be magnified, but not as much as if simple cost-causation were adhered to. Both are preferable for Liberty Missouri water and wastewater, but the former will make customers’ bill increases much less overall.

1 **III. WATER USAGE COMMODITY CHARGE**

2 **Q. Staff witness Melanie Marek recommends “the commodity charge**
3 **based on water usage, should be removed from the sewer rate design**
4 **for all other systems except Bolivar.” (Direct, p.8) Do you have a**
5 **recommendation to the Commission if it accepts Staff’s**
6 **recommendation?**

7 A. Yes. I recommend any commodity charge for sewer that is tied to water usage
8 be based upon an average of each customer’s winter water use. The theory
9 behind basing sewer usage on water usage is that the water passing through
10 the meter is roughly the same as the water leaving the home through the
11 sewer. However, not all water usage finds its way into the sewer. During
12 warm months, water usage outside for lawns, pools, and other outdoor uses
13 does not flow through the sewer system. Therefore, basing a sewer commodity
14 rate on winter usage, when outside water use is minimal, is a better
15 approximation of the water use that enters the sewer.

16 **Q. Would the change in the weather during the summer months**
17 **influence the use of water inside the house that didn’t occur in the**
18 **winter months?**

19 A. I don’t know that this could be determined without a study that the Company
20 does not have the means to conduct. Furthermore, it seems to me that indoor
21 water use in the summer would not increase significantly beyond an average
22 of water use during the winter, especially due to behavioral changes during the
23 summer that lead to less time being spent inside the house by many customers
24 (i.e., vacations, travel, visits to fairs and other attractions, etc.). In short, in
25 the summer months there is an increased likelihood of customers spending
26 more time away from their residence altogether, and thus their sewer use
27 necessarily decreases for those durations.

1 **Q. Does this conclude your testimony?**

2 A. Yes, it does.

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

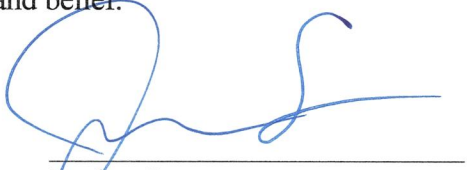
In the Matter of the Request of Liberty Utilities)
(Missouri Water) LLC d/b/a Liberty for Authority)
to Implement a General Rate Increase for Water) Case No. WR-2024-0104
and Wastewater Service Provided in its Missouri)
Service Areas)

AFFIDAVIT OF JORDAN SEAVER

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Jordan Seaver, of lawful age and being first duly sworn, deposes and states:

1. My name is Jordan Seaver. I am a Policy Analyst for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.



Jordan Seaver
Policy Analyst

Subscribed and sworn to me this 26th day of September 2024.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

My Commission expires August 8, 2027.



Tiffany Hildebrand
Notary Public