

Exhibit No.:
Issue(s): Customer First Program Operations
& Maintenance (O&M)
Witness: Keith D. Foster
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: WR-2024-0104
Date Testimony Prepared: October 24, 2024

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL & BUSINESS ANALYSIS DIVISION

AUDITING DEPARTMENT

SURREBUTTAL TESTIMONY

OF

KEITH D. FOSTER

LIBERTY UTILITIES (Missouri Water) LLC,

d/b/a Liberty

CASE NO. WR-2024-0104

Jefferson City, Missouri

October 24, 2024

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **KEITH D. FOSTER**

4 **LIBERTY UTILITIES (Missouri Water) LLC,**

5 **d/b/a Liberty**

6 **CASE NO. WR-2024-0104**

7 Q. Please state your name and business address.

8 A. Keith D. Foster, 200 Madison Street, Suite 440, Jefferson City, MO 65101.

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

10 A. I am a Utility Regulatory Audit Supervisor for the Missouri Public Service
11 Commission (“Commission”).

12 Q. Are you the same Keith D. Foster who filed direct testimony on August 20, 2024,
13 in this case?

14 A. Yes, I am.

15 **EXECUTIVE SUMMARY**

16 Q. What is the purpose of your direct testimony?

17 A. The purpose of this testimony is to respond to the rebuttal testimony of Liberty
18 Utilities (Missouri Water) LLC, d/b/a Liberty (“Liberty Water”) witness Cindy S. Wilson
19 regarding the Customer First Program’s Operations & Maintenance (“O&M”) Expense.

20 **CUSTOMER FIRST PROGRAM O&M EXPENSE**

21 Q. Does Liberty Water witness Ms. Wilson address the Customer First
22 O&M expense?

23 A. Yes. On page 19, lines 4 through 7 of Ms. Wilson’s rebuttal testimony she states
24 that Staff recommended not including any O&M expense associated with the Customer First

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Keith D. Foster

1 program “because there isn’t sufficient data to support an ongoing annualized expense for
2 the Company.”

3 Q. Is that an accurate summary Staff’s recommendation?

4 A. Not entirely. As I stated on page 4, lines 20 through 21 of my direct testimony
5 “Staff recommends not including any O&M expense until such a time that there is sufficient
6 *actual expense* data available to calculate an ongoing annualized expense to propose [emphasis
7 added].” As I further discussed in my direct testimony the \$160,762 allocation Liberty Water
8 wants to include in this case is based on a workpaper that contains amounts that are estimated
9 and budgeted. Further, Staff has not seen the actual expenses associated with the initial
10 implementation of the Customer First billing components that occurred during the month of
11 April 2024, the end of the update period for this case. Nonetheless, Staff would typically not
12 consider one month of actual expense data to be sufficiently representative of ongoing costs to
13 annualize for inclusion in its revenue requirement.

14 Q. Would you care to reiterate Staff’s recommendation?

15 A. Yes, I will repeat what was included on page 4, lines 17 through 21 of my direct
16 testimony. The Customer First system at Liberty Water has not been fully operational within
17 the update period for this case. No empirical actual expense data has been provided for Staff
18 to calculate a prudent ongoing amount of O&M expense to recommend in this case. Therefore,
19 Staff recommends not including any O&M expense until such a time that there is sufficient
20 actual expense data available to calculate an ongoing annualized expense to propose.

21 Q. Does this conclude your prepared surrebuttal testimony in this proceeding?

22 A. Yes, it does.

