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	А.	Keith D. Foster, 200 Madison Street, Suite 440, Jefferson City, MO 65101.	
9	Q.	By whom are you employed and in what capacity?	
10	А.	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	А.	Yes, I am.	
15	EXECUTIV	E SUMMARY	
16	Q.	What is the purpose of your direct testimony?	
17	А.	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	А.	Yes. On page 19, lines 4 through 7 of Ms. Wilson's rebuttal testimony she states	
24	that Staff reco	ommended not including any O&M expense associated with the Customer First	

Surrebuttal Testimony of Keith D. Foster

program "because there isn't sufficient data to support an ongoing annualized expense for
 the Company."

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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.

Q.

A.

Would you care to reiterate Staff's recommendation?

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

21 22 Does this conclude your prepared surrebuttal testimony in this proceeding? Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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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 and Wastewater Service Provided in its Missouri Service Areas

Case No. WR-2024-0104

AFFIDAVIT OF KEITH D. FOSTER

STATE OF MISSOURI)	
)	SS.
COUNTY OF COLE)	

COMES NOW KEITH D. FOSTER and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Surrebuttal Testimony of Keith D. Foster; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

KEITH D. FOSTER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 31 st day of October 2024.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070

Jusiellankin