Exhibit No.: _____ Issues: Rate Design/Class Cost of Service Witness: Thomas Relford Type of Exhibit: Surrebuttal Testimony Sponsoring Party: The City of Bolivar

File Nos.: WR-2024-0104 and SR-2024-0105

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI FILE NOS. WR-2024-0104 and SR-2024-0105

SURREBUTTAL TESTIMONY

OF

THOMAS RELFORD ON BEHALF OF THE CITY OF BOLIVAR

OCTOBER 24, 2024

ction of Witness and Testimon
cti

- 2 Q. Please state your name, title, and business address.
- 3 A. My name is Thomas Relford. I am the City Administrator for the City of Bolivar. My
- 4 business address is PO Box 9, Bolivar, MO 65613.
- 5 Q. Are you the same Thomas Relford who filed direct testimony in these cases on
- 6 **September 10, 2024?**
- 7 A. Yes.
- 8 Q. On whose behalf are you testifying?
- 9 A. I am testifying on behalf of the City of Bolivar, an intervenor in this proceeding.
- 10 Q. What is the purpose of your testimony?
- 11 A. I am responding to Liberty's misrepresentation of some of the facts about the negotiations
- for Liberty's purchase of Bolivar's water and sewer systems so that this Commission will
- have a full and accurate record of evidence upon which to make its ruling in these cases.
- 14 Q. Please summarize your testimony.
- 15 A. In its response to the Office of Public Counsel's Data Request No. 0037 (attached hereto
- as Schedule TR-8), Liberty states that it "is unaware of what assumptions, if any, may
- have been relied upon" to arrive at the requirement in Section 6.12 of the Asset Purchase
- Agreement (See, previously filed Schedule TR-6) that Bolivar raise its water and sewer
- rates by 6.3% no later than January 2020. Although I was not the City Administrator at
- 20 the time of contract, it is my understanding that it was Liberty who unilaterally demanded
- 21 that Bolivar raise its water and sewer rates by 6.3% as a condition of Liberty's purchase
- of the systems.

1 2		II. The Facts of Liberty's Negotiations to Acquire Bolivar's Water and Sewer Systems.
3	Q.	Are you familiar with Data Request No. 0037 served by the Office of Public Counsel
4		on Liberty, and with Liberty's response to that Data Request?
5	A.	Yes, I have been provided with the Data Request and Liberty's response to that Data
6		Request No. 0037, and both are attached hereto as Schedule TR-8.
7	Q.	In your current position as Bolivar's City Administrator, have you familiarized
8		yourself with the facts of the negotiations for Liberty's purchase of Bolivar's water
9		and sewer systems?
10	A.	Yes.
11	Q.	What is your understanding of how Section 6.12 of the Asset Purchase Agreement,
12		and its requirement that Bolivar raise its water and sewer rates by 6.3%, came to be
13		one of the terms of Liberty's purchase of Bolivar's systems?
14	A.	It is my understanding that as part of purchase price negotiations for the sale of Bolivar's
15		system to Liberty, it was Liberty that required Bolivar to increase rates as a condition of
16		the contract.
17	Q.	Did Bolivar calculate its cost of service and determine that water and sewer rates
18		should be raised 6.3%?
19	A.	Not to my understanding.
20	Q.	Was it Liberty who demanded that Bolivar raise its water and sewer rates as a
21		condition of Liberty's purchase of the systems?
22	A.	Yes, that is my understanding.
23	Q.	Was it Liberty who demanded the increase of those water and sewer rates by 6.3%?
24	A.	Yes, that is my understanding.

- 1 Q. Does this conclude your pre-filed surrebuttal testimony in this case?
- 2 A. Yes. However, I wish to preserve the right to provide additional pre-filed testimony or at
- 3 the hearing to rebut the testimony of any other party.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

STATE OF MISSOURI)	
)	SS
COUNTY OF POLK)	

AFFIDAVIT OF THOMAS RELFORD

Thomas Relford, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying surrebuttal testimony and schedules; that said testimony was prepared by him or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.

Thomas Relford

Subscribed and sworn to before me this 22nd day of October, 2024.

Notary Public

My commission expires: 09/13/2.27

Notary Public — Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires Sept. 13, 2027
Commission #15236972



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

Case No. WR-2024-0104

Office Public Counsel Data Request - 0037

Data Request Received: 2024-10-11 Response Date: 2024-10-18

Request No. 0037 Witness/Respondent: Cindy Wilson

Submitted by: Marc Poston, marc.poston@opc.mo.gov

REQUEST:

The Bolivar Asset Purchase Agreement, Section 6.12 requires the City of Bolivar to increase water and sewer rates by not less than 6.3% to be effective no later than January 2020. Please provide the basis for the 6.3% number, including all documents, calculations, and assumptions regarding the reason for the 6.3% number.

RESPONSE:

The referenced increases prior to Liberty's acquisition of the assets were designed to move the rates toward the cost of service.

Liberty does not have documents or calculations related to the 6.3% to produce and is unaware of what assumptions, if any, may have been relied upon, other than the assumption that Bolivar rates were less than its cost of service at that time.