

Exhibit No.:  
Issues: Rate Design  
Witness: Brian C. Collins  
Type of Exhibit: Cross-Rebuttal/Surrebuttal Testimony  
Sponsoring Party: Triumph Foods, LLC  
Case Nos.: WR-2024-0320 / SR-2024-0321  
Date Testimony Prepared: January 10, 2025

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

\_\_\_\_\_  
In the Matter of Missouri-American Water )  
Company's Request for Authority to )  
Implement a General Rate Increase for )  
Water and Sewer Service Provided in )  
Missouri Service Areas )  
\_\_\_\_\_ )

Case Nos. WR-2024-0320 &  
SR-2024-0321

Cross-Rebuttal/Surrebuttal Testimony and Schedules of

**Brian C. Collins**

**on Rate Design**

On behalf of

**Triumph Foods, LLC**

January 10, 2025



Project 11653.2

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

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In the Matter of Missouri-American Water  
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)  
)  
) Case Nos. WR-2024-0320 &  
) SR-2024-0321  
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STATE OF MISSOURI     )  
                                  )  
COUNTY OF ST. LOUIS    )     SS

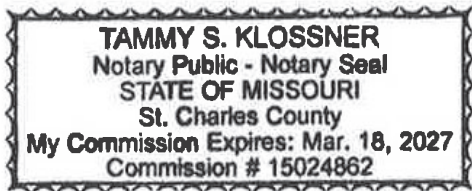
**Affidavit of Brian C. Collins**


Brian C. Collins, being first duly sworn, on his oath states:

1. My name is Brian C. Collins. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by Triumph Foods, LLC in this proceeding on their behalf.
  
2. Attached hereto and made a part hereof for all purposes are my cross-rebuttal/surrebuttal testimony and schedules which were prepared in written form for introduction into evidence in Missouri Public Service Commission Case Nos. WR-2024-0320 and SR-2024-0321.
  
3. I hereby swear and affirm that the testimony and schedules are true and correct and that they show the matters and things that they purport to show.

  
\_\_\_\_\_  
Brian C. Collins

Subscribed and sworn to before me this 10<sup>th</sup> day of January, 2025.



  
\_\_\_\_\_  
Notary Public



1 employs approximately 2,821 people with 2,293 of those in production-related positions  
2 and 528 holding management and clerical positions.

3 Triumph Foods uses an extraordinary amount of water far in excess of typical  
4 Industrial water consumers and operates under a special service contract with MAWC  
5 (described below) and, thus, has a vested interest in these proceedings.

6 **Q WHAT IS THE PURPOSE OF THIS CROSS-REBUTTAL/SURREBUTTAL**  
7 **TESTIMONY?**

8 A This testimony will address the Missouri Public Service Commission (“MPSC” or  
9 “Commission”) Staff’s (“Staff”) and the Office of the Public Counsel’s (“OPC”)  
10 direct/rebuttal testimonies on class cost of service and rate design in regard to the  
11 special contract Triumph Foods has with MAWC.

12 **Q HAVE YOU REVIEWED THE DIRECT/REBUTTAL TESTIMONIES OF STAFF AND**  
13 **OPC WITH RESPECT TO THE TRIUMPH FOODS SPECIAL CONTRACT?**

14 A Yes, I have reviewed the direct/rebuttal testimonies. Based on that review, no party  
15 has disputed the continuation of the contract or the contract’s rate methodology in  
16 direct/rebuttal testimony.

17 **Q WHAT IS YOUR RECOMMENDATION?**

18 A As a result of my review of the Direct/Rebuttal Testimonies of Staff and OPC, Triumph  
19 Foods’ special contract should be continued. To the extent the Company’s filed  
20 revenue requirement or Class Cost of Service Study (“CCOSS”) results are adjusted, I  
21 would expect that the Triumph Foods rate proposed by the Company will be updated.

**Brian C. Collins**  
**Page 2**

1 Q WHAT BUSINESS IS TRIUMPH FOODS INVOLVED IN AND IN WHAT PART OF  
2 MAWC'S SERVICE TERRITORY DOES IT OPERATE?

3 A Triumph Foods is a pork-processing operation located in St. Joseph, Missouri, currently  
4 employing approximately 2,800 employees at its St. Joseph operations.

5 Q YOU MENTIONED EARLIER THAT TRIUMPH FOODS IS SERVED BY MAWC  
6 UNDER A SPECIAL CONTRACT. IS TRIUMPH FOODS' SPECIAL CONTRACT IN  
7 THE PUBLIC INTEREST?

8 A Yes. In approving the Contract between MAWC and Triumph Foods, the Commission  
9 noted at pages 8-9 of its Order in Case No. WT-2004-0192:

10 The application explains that Premium Pork [now known as "Triumph  
11 Foods"] proposes to construct a pork-processing facility in the  
12 now-derelict Stockyards area of St. Joseph, Missouri. The Stockyards  
13 was formerly the site of an extensive animal slaughtering and  
14 processing operation that historically formed the economic core of  
15 St. Joseph. The new facility, projected at 600,000 square feet, will cost  
16 about \$130 million. Five hundred pigs will be processed there each  
17 hour. The facility will lead to the creation of 1,000 jobs, including  
18 800 processing jobs and 200 jobs in the associated corporate  
19 headquarters. Each of these persons will earn over \$10.00 per hour in  
20 pay and benefits, an annual impact on the St. Joseph economy of at  
21 least \$21 million. The application further states that over 300 persons  
22 will be employed in the construction of the plant, earning over \$7 million  
23 in wages; that the facility will pay about \$1.2 million annually in local  
24 taxes; and that another 218 jobs, with an annual payroll of about  
25 \$25 million, will be created by 2005. By 2017, Premium Pork projects  
26 that it will be paying annual salaries and wages of over \$66 million. The  
27 city and community of St. Joseph are eager to attract Premium Pork to  
28 locate there, as is evidenced by a number of exhibits attached to the  
29 application.

30 However, St. Joseph is only one of several locations that Premium Pork  
31 is considering. Because Premium Pork will consume large amounts of  
32 utility services, the most important factor in the plant-location decision is  
33 the level of utility rates. The application makes clear that Premium Pork  
34 will only locate in St. Joseph if rates for water service are available that  
35 are in line with the amount that Premium Pork is prepared to pay.  
36 Missouri-American's current tariffed rates are too high, the application  
37 states. Missouri-American's General Incentive Provision rates under its  
38 EDR Tariff are also too high. Premium Pork and Missouri-American

1                    have negotiated an agreement that, if approved by the Commission, will  
2                    provide water service at a competitive rate for a period in excess of  
3                    ten years. Missouri-American asserts that approval of the agreement  
4                    and proposed tariff sheets will impose no detriment on other ratepayers  
5                    in the St. Joseph district and will, in fact, benefit them in many ways.

6    **Q        WHAT ADDITIONAL FINDINGS DID THE COMMISSION MAKE?**

7    A        The Commission found that Triumph Foods was eligible for a discounted rate under  
8                    the Economic Development Rider (“EDR”) Tariff because it was a new Industrial  
9                    customer from outside Missouri, its annual customer load factor equaled or  
10                    exceeded 55%, the projected Average Annual Billing Demand was at least 0.5% of the  
11                    total consumption of the St. Joseph District of Missouri-American, and the new facility  
12                    will create at least 50 new permanent jobs in the district. The Commission noted that  
13                    the general incentives were not sufficient because Triumph Foods had a viable  
14                    competitive alternative in another area and the availability of a competitive water rate  
15                    was critical to Triumph Foods’ decision to locate in St. Joseph. Finally, the Commission  
16                    found that the contract provided for a reasonable contribution to “all other costs  
17                    associated with the provision of service” and that this contribution provided a benefit to  
18                    other customers because it served to reduce the revenue requirement of the St. Joseph  
19                    district as a whole. See Order, Case No. WT-2004-0192 (Nov. 20, 2003) at  
20                    pages 10-12.

21   **Q        WHAT DID THE COMMISSION CONCLUDE REGARDING THE CONTRACT IN**  
22                    **THAT PROCEEDING?**

23   A        The Commission approved the Special Service Contract filed by MAWC that provides  
24                    for a discount rate for water service to Triumph Foods. See Order, Case  
25                    No. WT-2004-0192 (Nov. 20, 2003) at page 12.

1 **Q PLEASE DESCRIBE THE GROWTH OF TRIUMPH FOODS IN ST. JOSEPH.**

2 A Triumph Foods began its operations in St. Joseph in 2006. In 2007, Triumph Foods  
3 added a second shift increasing its employee workforce to 2,000 employees. In 2010,  
4 Triumph Foods expanded its operations and added several hundred employees. In  
5 2012, Triumph Foods expended \$9.5 million to increase its refrigeration and packaging  
6 space to meet growing demand for product exports. This expansion also added jobs  
7 to the workforce. In 2013, Triumph Foods announced a \$7.5 million expansion for  
8 improvements in packaging and storage facilities.

9 In 2016, Daily Premium Meats began operations adjacent to Triumph Foods  
10 with an initial level of 140 employees. Today, Daily Premium Meats has  
11 429 employees. Daily Premium Meats is 50% owned by Triumph Foods.

12 Daily Premium Meats operated at full capacity in 2020 and implemented a  
13 \$10 million expansion that increased retail bacon product by over 100% by the end  
14 of 2021.

15 In 2022, Triumph Foods completed an approximate \$10 million expansion to its  
16 equilibration bays.

17 In 2023, Triumph Foods invested approximately \$7.3 million in its seasoned loin  
18 operations. These projects are in addition to its approved \$13 million recurring capital  
19 expansion budget for 2025.

20 Overall, Triumph Foods has committed approximately \$43 million to capital  
21 projects at its St. Joseph facility over the last three years (2022-2024).

22 **Q IS TRIUMPH FOODS A MAJOR EMPLOYER IN ST. JOSEPH?**

23 A Yes. Triumph Foods is the second largest employer in the St. Joseph area in terms of  
24 total workforce levels, and the largest employer in the area in terms of revenues. In

1 addition, Triumph Foods is involved in many civic activities, supports charitable  
2 organizations, and invests in the economic infrastructure of St. Joseph.

3 I have attached Schedule BCC-1 and Schedule BCC-2 that describe the  
4 significant impact Triumph Foods has on the St. Joseph area and the accomplishments  
5 achieved by Triumph Foods.

6 **Q DOES TRIUMPH FOODS USE WATER IN ITS OPERATIONS?**

7 A Yes. In fact, Triumph Foods is MAWC's single largest customer.

8 **Q IS TRIUMPH FOODS CURRENTLY SERVED BY MAWC PURSUANT TO A  
9 SPECIAL CONTRACT?**

10 A Yes. Triumph Foods has been operating under a special contract since the beginning  
11 of its operations in St. Joseph, and has received multiple approvals by the MPSC for  
12 its special contract.

13 **Q DOES THE SPECIAL CONTRACT COVER THE VARIABLE COSTS OF PROVIDING  
14 WATER SERVICE TO TRIUMPH FOODS AND PROVIDE FOR A CONTRIBUTION  
15 TO THE FIXED COSTS OF MAWC?**

16 A Yes. The special contract terms assure that the variable costs of serving Triumph  
17 Foods are recovered in the rate. The special contract rate is typically revised each  
18 MAWC rate case based on changes in the following costs:

- 19 • Fuel and power costs;  
20 • Chemical costs; and  
21 • Miscellaneous water treatment expenses.

22 The above costs represent the variable costs of serving Triumph Foods.



1                   In addition to those costs, the special contract also has a provision for marginal  
2 cost recovery, which relates to Triumph Foods making a contribution to the fixed costs  
3 of MAWC.

4 **Q     IS THE SPECIAL CONTRACT WITH TRIUMPH FOODS BENEFICIAL TO THE**  
5 **OTHER MAWC CUSTOMERS IN ST. JOSEPH?**

6 A     Yes. Because the special contract calls for Triumph Foods to provide a contribution to  
7 MAWC's fixed costs, and allows MAWC to recover its variable costs to serve Triumph  
8 Foods, the other customers of St. Joseph are paying less for water service than if  
9 Triumph Foods were not on the MAWC system.

10 **Q     HOW DID THE COMPANY REFLECT THE TRIUMPH FOODS SPECIAL CONTRACT**  
11 **IN ITS COST OF SERVICE (REVENUE REQUIREMENT)?**

12 A     MAWC reflected Triumph Foods in its cost of service. Its rate is based on the  
13 Company's filed revenue requirement and CCROSS. To the extent the Company's filed  
14 revenue requirement or CCROSS results are adjusted, I would expect that the Triumph  
15 Foods' rate will be updated.

16 **Q     PLEASE SUMMARIZE YOUR TESTIMONY.**

17 A     Triumph Foods is a major employer in St. Joseph, Missouri. Triumph Foods has  
18 continued to grow its operations in St. Joseph adding hundreds of jobs over a period  
19 of several years. Triumph Foods is MAWC's largest water user. Triumph Foods'  
20 decision to locate in St. Joseph was directly linked to the accessibility of water at the  
21 reduced rate contained in the current special contract. The St. Joseph area is

1           experiencing many rewards from the decision of Triumph Foods to locate in St. Joseph.  
2           There is no credible rationale to discontinue the special contract at this time.

3   **Q     DOES   THIS   CONCLUDE   YOUR   CROSS-REBUTTAL/SURREBUTTAL**  
4           **TESTIMONY?**

5   **A     Yes, it does.**

## Qualifications of Brian C. Collins

1    **Q    PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2    A    Brian C. Collins. My business address is 16690 Swingley Ridge Road, Suite 140,  
3    Chesterfield, MO 63017.

4    **Q    WHAT IS YOUR OCCUPATION AND BY WHOM ARE YOU EMPLOYED?**

5    A    I am a consultant in the field of public utility regulation and a Managing Principal with  
6    the firm of BAI, energy, economic and regulatory consultants.

7    **Q    PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND WORK  
8    EXPERIENCE.**

9    A    I graduated from Southern Illinois University Carbondale with a Bachelor of Science  
10    degree in Electrical Engineering. I also graduated from the University of Illinois at  
11    Springfield with a Master of Business Administration degree. Prior to joining BAI, I was  
12    employed by the Illinois Commerce Commission and City Water Light &  
13    Power ("CWLP") in Springfield, Illinois.

14            My responsibilities at the Illinois Commerce Commission included the review of  
15    the prudence of utilities' fuel costs in fuel adjustment reconciliation cases before the  
16    Illinois Commerce Commission as well as the review of utilities' requests for certificates  
17    of public convenience and necessity for new electric transmission lines. My  
18    responsibilities at CWLP included generation and transmission system planning. While  
19    at CWLP, I completed several thermal and voltage studies in support of CWLP's  
20    operating and planning decisions. I also performed duties for CWLP's Operations  
21    Department, including calculating CWLP's monthly cost of production. I also

**Brian C. Collins  
Appendix A  
Page 1**

1 determined CWLP's allocation of wholesale purchased power costs to retail and  
2 wholesale customers for use in the monthly fuel adjustment.

3 In June 2001, I joined BAI as a Consultant. Since that time, I have participated  
4 in the analysis of various utility rate and other matters in several states and before the  
5 Federal Energy Regulatory Commission ("FERC"). I have filed or presented testimony  
6 before the Arkansas Public Service Commission, the California Public Utilities  
7 Commission, the Colorado Public Utilities Commission, the Delaware Public Service  
8 Commission, the Public Service Commission of the District of Columbia, the Florida  
9 Public Service Commission, the Georgia Public Service Commission, the Guam Public  
10 Utilities Commission, the Idaho Public Utilities Commission, the Illinois Commerce  
11 Commission, the Indiana Utility Regulatory Commission, the Kansas Corporation  
12 Commission, the Kentucky Public Service Commission, the Public Utilities Board of  
13 Manitoba, the Maryland Public Service Commission, the Michigan Public Service  
14 Commission, the Minnesota Public Utilities Commission, the Mississippi Public Service  
15 Commission, the Missouri Public Service Commission, the Montana Public Service  
16 Commission, the North Carolina Utilities Commission, the North Dakota Public Service  
17 Commission, the Public Utilities Commission of Ohio, the Oklahoma Corporation  
18 Commission, the Oregon Public Utility Commission, the Rhode Island Public Utilities  
19 Commission, the Public Service Commission of Utah, the Virginia State Corporation  
20 Commission, the Washington Utilities and Transportation Commission, the Public  
21 Service Commission of Wisconsin, and the Wyoming Public Service Commission. I  
22 have also assisted in the analysis of transmission line routes proposed in certificate of  
23 convenience and necessity proceedings before the Public Utility Commission of Texas.

**Brian C. Collins**  
**Appendix A**  
**Page 2**

1           In 2009, I completed the University of Wisconsin – Madison High Voltage Direct  
2           Current (“HVDC”) Transmission Course for Planners that was sponsored by the  
3           Midwest Independent Transmission System Operator, Inc. (“MISO”).

4           BAI was formed in April 1995. BAI and its predecessor firm have participated  
5           in more than 1,000 regulatory proceedings in forty states and Canada.

6           BAI provides consulting services in the economic, technical, accounting, and  
7           financial aspects of public utility rates and in the acquisition of utility and energy  
8           services through Request for Productions (“RFP”) and negotiations, in both regulated  
9           and unregulated markets. Our clients include large industrial and institutional  
10          customers, some utilities and, on occasion, state regulatory agencies. We also prepare  
11          special studies and reports, forecasts, surveys and siting studies, and present seminars  
12          on utility-related issues.

13          In general, we are engaged in energy and regulatory consulting, economic  
14          analysis and contract negotiation. In addition to our main office in St. Louis, the firm  
15          also has branch offices in Corpus Christi, Texas; Louisville, Kentucky and  
16          Phoenix, Arizona.

516715

# Welcome to Triumph Foods

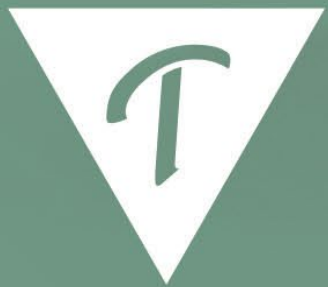


# PURPOSE

**We are a farmer-owned company, feeding our growing world the highest-quality pork products, while creating opportunity for our team members and community to prosper.**

# MISSION

**Each day we strive to become more perfect in our business, measured by the safety and success of our team members, the quality and sustainability of our processes and products, and the humane treatment of our animals.**



**TriumphFoods**



# Located in St. Joseph's Historic Stockyards District







- Organized in 2003
- Founded and owned exclusively by a group of the largest US Independent Pork Producers
- Began pork processing from our 800,000 square foot facility in 2006
- Processes nearly 6 million hogs annually – 5% of total US hog processing
- Product sold under the labels Prairie Fresh and Daily's
- Employs ~2,800 team members



# Executive Team Introductions



**Matt England**  
*President, CEO*



**Kevin Neal**  
*SVP of HR*



**Stephen McFarland**  
*AVP, Operations & GM*

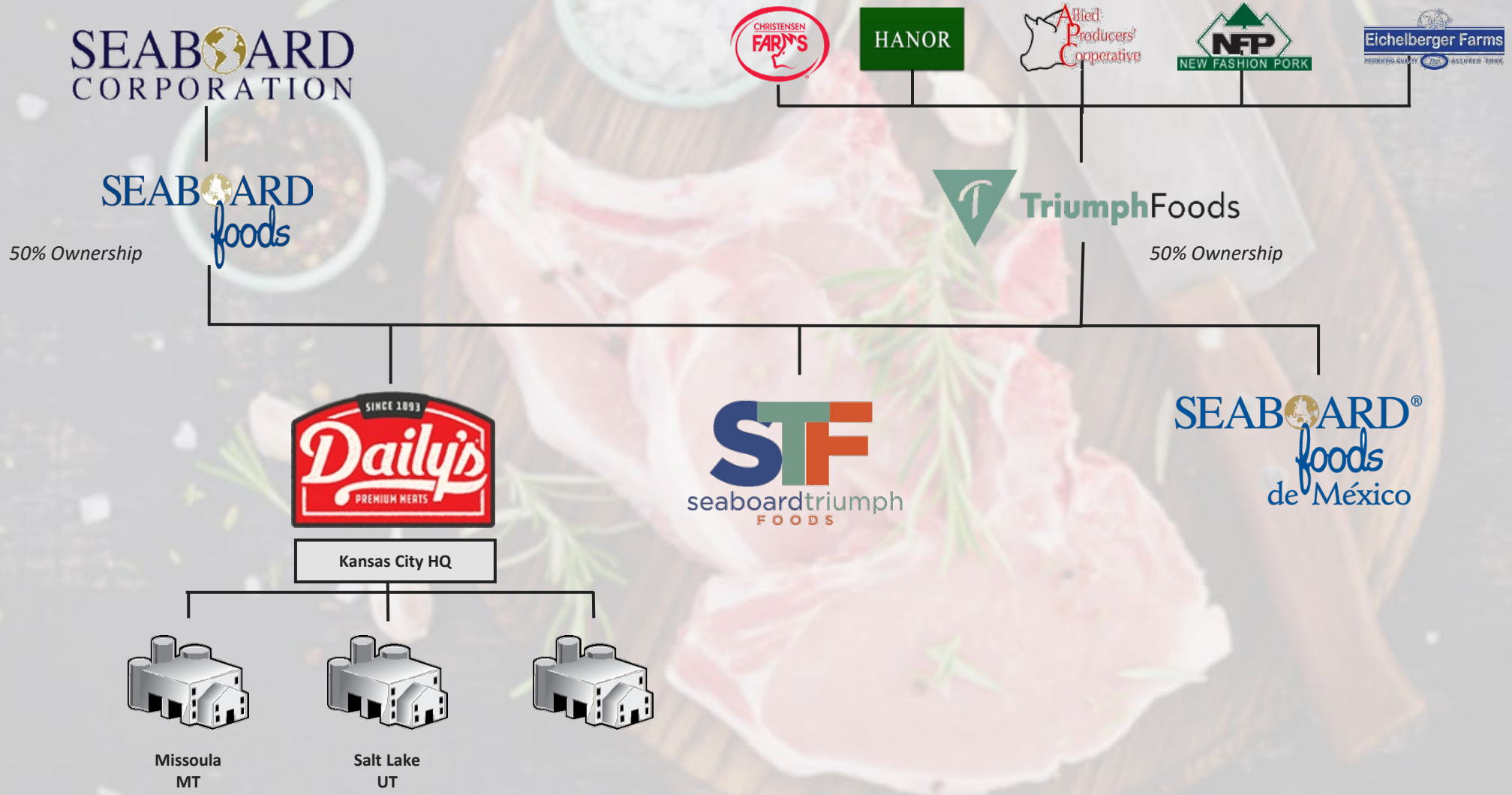


**Jerry Lehenbauer**  
*VP, Hog Procurement*



**Joe Voltmer**  
*Business Support*

# Partners, Owners, & Investments



## HONEST

Here,  
we act with **honesty** and integrity,  
focusing intensely on the excellence  
of our people, processes, and products.

## ENGAGED

Here,  
we **engage** with intention, leveraging  
our knowledge, skills, and capabilities  
to continually improve our business.

## RESPECTFUL

Here,  
we **respect** each other, and the resources  
entrusted to us.

## EXCELLENT

Here,  
we deliver **excellence** in  
our Pursuit of Pork Perfection.

HERE, We Triumph.





As we embrace the new year, let us take a moment to reflect on the remarkable achievements of 2024.



- Triumph Foods was recognized by the North American Meat Institute with the NAMI Worker Safety Award for the third year in a row.
- Corporate FSQA selected Triumph Foods as the Plant of the Year for the second year in a row.
- Triumph Foods received another score of 100 percent on the Animal Welfare Audit for the 15th year in a row.

## **RECORD BREAKING**

- The one hundredth million hog was processed in January 2024.
- Our team set a new all-time yearly record of 6,186,550

- NSIS was launched in 2023, and we were able to utilize it in 2024.
- The new case sealer project was completed in 3 days.
- The new skimming decanter has been installed to help reduce waste haul-off and manage the process in-house.

- Triumph Foods awarded scholarships for college education to six family members of our team.
- Triumph Foods donated over 140,000 pounds of pork products to local non-profits like the Second Harvest Community Food Bank.
- Our health services team collaborated with the Community Blood Center and was able to collect 22 units of life-saving blood in January and 29 units in July.