

## Exhibit No. 205

Staff – Exhibit 205  
Testimony of Scott J. Glasgow  
Direct/Rebuttal  
File No. WR-2024-0320

*Exhibit No.:*  
*Issue(s):* *Universal Affordability  
Tariff*  
*Witness:* *Scott J. Glasgow*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct / Rebuttal Testimony*  
*Case No.:* *WR-2024-0320*  
*Date Testimony Prepared:* *December 6, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL & BUSINESS ANALYSIS DIVISION**

**CUSTOMER EXPERIENCE DEPARTMENT**

**DIRECT / REBUTTAL TESTIMONY**

**OF**

**SCOTT J. GLASGOW**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WR-2024-0320**

*Jefferson City, Missouri*  
*December 6, 2024*

**DIRECT / REBUTTAL TESTIMONY**

**OF**

**SCOTT J. GLASGOW**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WR-2024-0320**

Q. Please state your name and business address.

A. My name is Scott J. Glasgow, 200 Madison Street, Jefferson City, MO 65101.

Q. What is your position and duties with the Missouri Public Service Commission ("Commission")?

A. I am a Senior Research/Data Analyst in the Customer Experience Department ("CXD"). My duties as an analyst for the Commission include, but are not limited to, participating in and conducting customer service and business office operations reviews. I research and manage formal complaints. I prepare and review audit and investigative reports at the Commission. I participate in water and sewer case Staff recommendations and review tariffs.

Q. Please describe your educational and work background.

A. Please see Schedule SG-d1.

Q. Have you previously filed testimony before the Commission?

A. Yes. My case participation history with the Commission is listed in Schedule SG-d1.

Q. What is the purpose of your direct / rebuttal testimony?

1           A.     The purpose of my testimony is to share Staff's thoughts and recommendations  
2 on Missouri American Water Company's ("MAWC") proposal for a  
3 Universal Affordability Tariff ("UAT").

4           Q.     What is the UAT MAWC is proposing?

5           A.     MAWC is proposing discounted water service for residential customers who fall  
6 below the federal poverty level<sup>1</sup> ("FPL"). The proposed tariff offers tiered discounts on both  
7 the basic 5/8" meter charge and the volumetric charges for water service.

8           Q.     Did MAWC state the reason why it is proposing the UAT?

9           A.     Yes. MAWC witness Charles B. Rea stated in direct that the reason MAWC is  
10 proposing the UAT is to "provide every Missouri-American water service customer access to  
11 pricing tools that are designed to help ensure that the cost of Basic Water Service will be no  
12 more than 2% of customers' annual household income."<sup>2</sup>

13          Q.     What are Staff's thoughts concerning the UAT?

14          A.     Although Staff does not oppose a payment assistance program designed and  
15 targeted to customers who find it difficult to pay for water, Staff has several  
16 questions and recommendations.

17          Q.     Can you explain the details of the program and how MAWC describes in  
18 testimony how it will work?

19          A.     No. There are very few program details in testimony or in the proposed tariff.  
20 MAWC's testimony focuses more on the need to make water affordable for all and how

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<sup>1</sup> U.S. Federal poverty guidelines used to determine financial eligibility for certain programs.

<sup>2</sup> Case No. WR-2024-0320, Direct Testimony of Charles B. Rea, page 24, Lines 11-13.

1 low-income, basic service water customers are subsidizing higher income seasonal  
2 usage customers.

3 After reading through testimony, Staff asked in Staff Data Request 0232 how MAWC  
4 intends to administer the UAT (e.g. internally, third party) and how the application,  
5 income qualification and renewal process will work. MAWC stated that no specifics about the  
6 administration of the discount program have been formalized but they would likely utilize a  
7 third party to administer the proposed UAT. The third party would likely handle the  
8 applications, income verification and yearly reapplications.

9 Additionally, because low-income programs can fail due to a lack of participation if  
10 customers are not effectively made aware a program exists, Staff asked how MAWC plans to  
11 communicate and promote to its customers that the UAT is available. MAWC stated it would  
12 communicate and promote the program via bill inserts, the MAWC website, social media,  
13 community events and work with community action agencies to promote the program.

14 Staff will continue to ask MAWC for more details about the UAT that are not provided  
15 in testimony.

16 **PILOT**

17 Q. Does Staff have other concerns with the UAT as it is proposed?

18 A. It is Staff's understanding that a program like the UAT, would need to be  
19 designated as a pilot program. The Commission has approved programs that provide similar  
20 discounts, but only as pilots. For example, when MAWC proposed a low-income tariff  
21 throughout the Missouri service area in Case No. WR-2015-0301 that would have given eligible  
22 customers an 80 percent discount on the customer charge, the Commission concluded utilities  
23 cannot give any "undue or unreasonable" preference to any particular customer, or class of

1 customers. However, the Commission determined that the low-income pilot as an experiment  
2 would help the Commission to evaluate the reasonableness of the rate and any preference in  
3 MAWC's next rate case.

4 The Commission stated in its Report and Order<sup>3</sup> that:

5 A. Section 393.130, RSMo (Cum. Supp. 2013), establishes the  
6 requirements for the provision of service by regulated utilities. In general,  
7 it requires that all charges for utility service must be "just and reasonable" and  
8 not more than allowed by law or order of this Commission. Subsection 2 of that  
9 statute further states:

10 No ... water corporation or sewer corporation ... shall directly or  
11 indirectly by any special rate, rebate, drawback or other device or method,  
12 charge, demand collect or receive from any person or corporation a greater or  
13 less compensation for ... water, sewer [service] ..., except as authorized in this  
14 chapter, than it charges, demands, collects or receives from any other person or  
15 corporation for doing a like and contemporaneous service with respect thereto  
16 under the same or substantially similar circumstances or conditions.

17 Subsection 3 adds:

18 No ... water corporation or sewer corporation shall make or grant any  
19 undue or unreasonable preference or advantage to any person, corporation or  
20 locality, or to any particular description of service in any respect whatsoever, or  
21 subject any particular person, corporation or locality or any particular  
22 description of service to any undue or unreasonable prejudice or disadvantage  
23 in any respect whatsoever.

24 In sum, the statute says that utilities cannot give any "undue or  
25 unreasonable" preference to any particular customer, or class of customers.

26 B. Note that the statute does not prohibit any such preference, only  
27 preferences that are "undue or unreasonable". The parties have not identified,  
28 and the Commission has not found, any court decisions that have directly  
29 addressed the question of whether a low-income rate would be an "undue or  
30 unreasonable" preference.

31 C. The parties suggest the Commission adopt the low-income rate  
32 proposed by Missouri-American as a limited, experimental rate. The Missouri  
33 Supreme Court has long held that the Commission has the authority to grant  
34 interim test or experimental rates as a matter of necessary implication from  
35 practical necessity. By experimenting with this low-income rate,  
36 the Commission will be better able to evaluate the reasonableness of the rate and  
37 any preference in Missouri-American's next rate case.

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<sup>3</sup> Report and Order, Filed 5/26/2016 in WR-2015-0301, page 45-46.

**TARIFF RT 30 AND RT 4.1**

Q. Did MAWC provide tariffs to accompany the UAT?

A. Yes. MAWC provided two tariff sheets; one water tariff titled P.S.C MO NO. 13, 1<sup>st</sup> Revised Sheet No. RT 30 Canceling Original Sheet No. RT 30<sup>45</sup> and one sewer tariff titled RT 4.1 Revised Sheet No. RT 4.1 Canceling 3<sup>rd</sup> Revised Sheet No. RT 4.1<sup>6</sup>.

Q. Has Staff reviewed proposed tariff RT 30 and RT 4.1 associated with the UAT?

A. Yes.

Q. Does Staff have questions concerning RT 30 and RT 4.1?

A. Yes. Reading through the direct testimony from MAWC and examining the proposed tariffs in schedule CBR-3 attached to the direct testimony of MAWC witness Charles B. Rea, it is unclear what utility service MAWC is proposing for the UAT.

Mr. Rea's direct testimony states on page 23 that, "The Company is proposing to offer a Universal Affordability Tariff ("UAT") ... that would assist with the affordability of **water service** [emphasis added] for lower income customers." Although the proposal is to assist with the affordability of water service, schedule CBR-3 contains proposed tariff RT 4.1. It appears that RT 4.1 is for the UAT to be applied to wastewater service. Staff is unclear on the scope of the proposal and could not find in testimony where the UAT would be for wastewater. Staff is waiting for clarification.

Secondly, Staff is concerned about the lack of information and details in the tariffs. At minimum, anyone that is interested in finding out more about this program and how it works

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<sup>4</sup> When the previous low-income pilot ended. This tariff allowed customers to continue receiving the benefit through the end of their specified period, rather than abruptly stopping the program.

<sup>5</sup> Filed – Missouri Public Service Commission – 07/15/2023 – WR-2022-0303 – YW-2023-0221.

<sup>6</sup> Filed – Missouri Public Service Commission – 05/03/2023 – WR-2022-0303- YS-2023-0197.

1 should be able to look at the tariff and understand the basics of the UAT. A few items that  
2 should be included are:

- 3 • The purpose or goal of the tariff/program.
- 4 • Definitions of terminology used such as FPL, metered customer, and household.
- 5 • Who is eligible to participate in the tariff/program.
- 6 • If there are any restrictions to the tariff/program.
- 7 • How long the discount will be applied or when the program will be discontinued.
- 8 • How a customer can renew the discount.
- 9 • If a third party is involved in the signup process, state who it is and how the third  
10 party is involved.

### 11 **COSTS**

12 Q. How does MAWC propose the costs associated with the discount and  
13 administration costs associated with the UAT be treated?

14 A. MAWC witness Brian LaGrand testifies, on page 35 of his direct testimony,  
15 that costs associated with the discounts will be captured through the proposed  
16 Revenue Stabilization Mechanism (RSM) and the cost associated with the administration of the  
17 UAT will be recorded and deferred to MAWC's next general rate case. He proposes that if the  
18 RSM is not authorized, the costs associated with the discounts along with the administrative  
19 costs, be deferred to MAWC's next general base rate case.

20 Staff Witness Michael Abbott will address Staff's position on the RSM.

### 21 **RECOMMENDATIONS**

22 Q. Does Staff have recommendations concerning the proposed UAT?

23 A. Yes. Staff recommends the following:



- 1           • Develop and propose a program for approval to the Commission with program  
2           details as mentioned earlier in my testimony.
- 3           • Develop a tariff that incorporates some of the basic information mentioned  
4           earlier in my testimony.
- 5           • Present the UAT as a pilot, with parameters such as: a limit on the number of  
6           participants, how long the pilot will last, how the pilot will be evaluated, and an  
7           explanation of how a successful program would be determined.

8           **CONCLUSION**

9           Q.     Does Staff recommend that the Commission approve MAWC's UAT as  
10          proposed in MAWC's direct testimony?

11          A.     As mentioned earlier in my testimony, Staff does not oppose a payment  
12          assistance program designed and targeted to customers who find it difficult to pay for water.  
13          Although Staff will continue to ask MAWC more details concerning the UAT, Staff does not  
14          recommend approval as it is currently proposed.

15          Q.     Does this conclude your direct / rebuttal testimony?

16          A.     Yes it does.

**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 No. WR-2024-0320

**AFFIDAVIT OF SCOTT J. GLASGOW**

STATE OF MISSOURI        )  
                                      )  
COUNTY OF COLE         )       ss.

**COMES NOW SCOTT J. GLASGOW** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Direct / Rebuttal Testimony of Scott J. Glasgow*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
SCOTT J. GLASGOW

**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 25<sup>th</sup> day of November 2024.



  
Notary Public

Scott J. Glasgow

I have been employed by the Commission since 2010 and worked in several departments including Consumer Services, Telecommunications, Engineering Analysis, and Customer Experience. In my previous experience, I worked five years as a Customer Service Manager for Charter Communications, currently d/b/a Spectrum, with responsibilities managing multiple areas of the Company's Call Center Operations. Prior to Charter Communications, I worked as a Team Manager for Southwestern Bell/SBC, currently d/b/a AT&T. Prior to the AT&T position, I worked as a Site Director for a telemarketing center managing all aspects of the center's day-to-day operations. In 1995, I graduated from the University of Missouri-St. Louis with a bachelor of General Studies degree.

Case Participation

The following is a listing of cases before the Commission in which I provided testimony, Staff recommendation or significant analysis:

<b>Date Filed in EFIS</b>	<b>Case Number</b>	<b>Company Name – Type of Case</b>	<b>Contribution</b>
6/27/2024 8/6/2024	ER-2024-0189	Evergy Missouri West – Rate Case	Direct And Rebuttal
2/8/2024	SC-2024-0228	Missouri American Water – Formal Complaint	Staff Report
11/19/2023	EC-2024-0160	Liberty Electric – Formal Complaint	Staff Report
8/25/2023	WA-2024-0048	Confluence Rivers Utility Company – Acquisition	Staff Recommendation
5/26/2023 7/21/2023	WR-2023-0006	Confluence Rivers Utility Company – Rate Case	Direct and Surrebuttal

<b>Date Filed in EFIS</b>	<b>Case Number</b>	<b>Company Name – Type of Case</b>	<b>Contribution</b>
3/30/2023	EC-2023-0334	Evergy – Formal Complaint	Staff Recommendation
1/31/2023	WC-2021-0227	Missouri American Water – Formal Complaint	Staff Report
11/18/2022	WA-2023-0003	Confluence Rivers Utility Company – Acquisition	Staff Recommendation
11/10/2022	WA-2023-0026	Confluence Rivers Utility Company – Acquisition	Staff Recommendation
3/8/2022 And 7/13/2022	ER-2022-0129 ER-2022-0130	Evergy Metro Evergy Missouri West	Direct and Rebuttal
1/24/2022	GR-2021-0320	The Empire District Gas Company – Rate Case	Direct
12/20/2021 And 10/29/2021	ER-2021-0312	The Empire District Electric Company – Rate Case	Rebuttal and Staff Report - Cost of Service
12/2/2021	WO-2021-0428	Missouri American Water Company - Petition of Missouri-American Water Company for Approval to Establish a Water and Sewer Infrastructure Rate Adjustment ("WSIRA")	Staff Recommendation
10/1/2021	WA-2021-0376	Missouri American Water Company - Certificate of Convenience and Necessity	Staff Recommendation
9/14/2021	WM-2021-0412 SM-2021-0413	Hillcrest Utility Operating Company, Inc., Indian Hills Utility Operating Company, Inc. Elm Hills Utility Operating Company, Inc., Confluence Rivers Utility Operating Company, Inc., Osage Utility Operating Company, Inc. – Merger	Staff Recommendation
7/15/2021	GC-2021-0395	Empire District Gas Company – Formal Complaint	Staff Report
06/17/2021	WC-2021-0251	Missouri American Water Company – Formal Complaint	Staff Report
4/30/2021	AO-2021-0264	Cause of the February 2021 Cold Weather Event and its Impact on Investor Owned Utilities	Staff Report
4/16/2021	WA-2020-0397	Liberty Utilities - Certificate of Convenience and Necessity	Staff Memorandum
11/24/2020	WR-2020-0344	Missouri American Water Company – Rate Case	Staff Report

<b>Date Filed in EFIS</b>	<b>Case Number</b>	<b>Company Name – Type of Case</b>	<b>Contribution</b>
9/9/2020	WR-2020-0275	Elm Hills Utility Operating Company, Inc. – Rate Case	Non-unanimous Disposition Agreement
8/20/2020	WC-2020-0407	Missouri American Water Company – Formal Complaint	Staff Report
8/4/2020	WR-2020-0264	Raytown Water Company – Rate Case	Unanimous Disposition Agreement
4/20/2020	GC-2020-0201	Spire Missouri Inc., d/b/a Spire – Formal Complaint	Staff Report
3/26/2020	WC-2020-0194	Missouri American Water Company – Formal Complaint	Staff Report
3/17/2020	SM-2020-0146	Elm Hills Utility Operations Company / Central Rivers Wastewater Utilities – Acquisition	Staff Recommendation
2/10/2020	WR-2020-0053	Confluence Rivers Utility Company – Rate Case	Unanimous Agreement Regarding Disposition
9/4/2019	WA-2019-0185	Osage Utility Operating Company, Inc. – Acquisition	Surrebuttal
6/10/2019	WA-2019-0036	Liberty Utilities / Franklin County Water Company - Acquisition	Staff Report and Recommendation
5/31/2019	WA-2019-0299	Confluence Rivers Utility Operating Company - Acquisition	Staff Memorandum
5/17/2018	GC-2018-0159	Spire Missouri – Formal Complaint	Staff Report
1/22/2018	WM-2018-0104	Missouri-American Water / Spokane Highlands - Acquisition	Staff Recommendation
12/28/2017	WC-2018-0124	Missouri-American Water – Formal Complaint	Staff Recommendation
11/30/2017	EO-2015-0055	Ameren Missouri's 2nd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA - Flex Pay Application Filed 11/30/2017	Case Coordinator
11/9/2017	SA-2018-0068	Missouri-American Water - Certificate of Convenience and Necessity	Staff Recommendation

<b>Date Filed in EFIS</b>	<b>Case Number</b>	<b>Company Name – Type of Case</b>	<b>Contribution</b>
9/5/2017	SA-2018-0019	Missouri-American Water - Certificate of Convenience and Necessity	Staff Recommendation
7/5/2017	WR-2017-0110 and SR-2017-0109	Terre Du lac Utilities – Rate Case	Stipulation and Agreement
3/31/2017	WO-2017-0012	Missouri-American Water - Investigation	Staff Memorandum
3/17/2017	WO-2017-0191	Missouri-American Water / Audrain Public Water District No. 1 - Territorial Agreement	Staff Recommendation
3/13/2017	WA-2017-0181 and SA-2017-0182	Missouri-American Water - Certificate of Convenience and Necessity	Staff Recommendation
5/6/2016	WR-2016-0109 and SR-2016-0110	Roy-L Utilities – Rate Case	Disposition
2/22/2016	WM-2016-0169	Missouri-American Water / Woodland Manor - Acquisition	Staff Recommendation
1/29/2016	EC-2015-0309	Kansas City Power & Light Company / KCP&L Greater Missouri Operations Company - – Formal Complaint	Surrebuttal
12/31/2015	WC-2016-0113	Missouri-American Water – Formal Complaint	Staff Memorandum
1/29/2015	EC-2015-0093	KCP&L Greater Missouri Operations – Formal Complaint	Staff Recommendation
6/27/2014	EC-2014-0334	Empire District Electric Company – Formal Complaint	Staff Recommendation
4/18/2013	TC-2012-0394	CenturyLink (Embarq Missouri) – Formal Complaint	Staff Memorandum
11/12/2012	CA-2013-0271	New Horizons Communications Corp. - Application for Certificate	Staff Recommendation