

Exhibit No.:
Issues: Production Costs, Lease Expense
Witness: Jennifer J. Bade
Exhibit Type: Direct
Sponsoring Party: Missouri-American Water Company
Case No.: WR-2003-
Date: May 19, 2003

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WR-2003-

FILED³

DIRECT TESTIMONY

JAN 23 2004

OF

**Missouri Public
Service Commission**

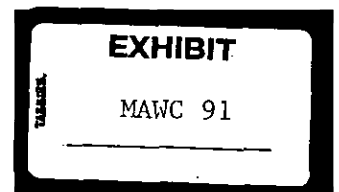
JENNIFER J. BADE

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY, MISSOURI

Exhibit No. 91
Case No(s) WR-2003-0500
Date 12/16/03 Rptr SKM

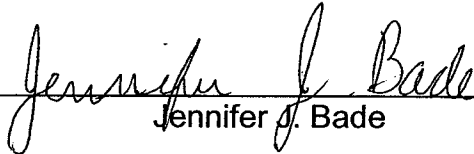


**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

| | |
|--|--------------------------|
| IN THE MATTER OF MISSOURI-AMERICAN) WATER COMPANY FOR AUTHORITY TO) FILE TARIFFS REFLECTING INCREASED) RATES FOR WATER AND SEWER) SERVICE) | CASE NO. WR-2003- |
|--|--------------------------|

AFFIDAVIT OF JENNIFER J. BADE

Jennifer J. Bade, being first duly sworn, deposes and says that she is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Jennifer J. Bade"; that said testimony and schedules were prepared by her and/or under her direction and supervision; that if inquires were made as to the facts in said testimony and schedules, she would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of her knowledge.



Jennifer J. Bade

**State of Missouri
County of St. Louis
SUBSCRIBED and sworn to
Before me this 13th day of May 2003.**



Notary Public

My commission expires:

STACI A. OLSEN
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires: Mar. 20, 2005

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DIRECT TESTIMONY

JENNIFER J. BADE

WITNESS INTRODUCTION

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

2 A. My name is Jennifer J. Bade, and my business address is 535 N. New Ballas
3 Road, St. Louis, Missouri 63141.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Missouri-American Water Company ("MAWC") as a
6 Financial Analyst.

7 **Q. WOULD YOU PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND
8 AND BUSINESS EXPERIENCE?**

9 A. I graduated Cum Laude from Lindenwood University in 1998 with a Bachelor
10 of Science Degree in Business Administration majoring in Accounting. From
11 October 1998 to July 1999, I was employed by Deutsche Financial Services
12 (DFS) as a Field Service Representative (FSR). I performed monthly
13 inventory audits of financed inventories, collected monies due, and performed
14 repossessions and cash audits when necessary.

15 In July 1999, I accepted the position of payment processor with DFS. My
16 responsibilities included reviewing and sending wires and automated clearing
17 houses daily, and reconciling bank charges.

1 I began my career with Missouri-American Water Company in March 2000.
2 My responsibilities include assisting in rate cases, budgeting, forecasting,
3 bond financings and quarterly reporting to the Board of Directors. I
4 participated in the preparation of the St. Louis County Water Company rate
5 case (WR-2000-844) and in October 2000, I attended the Eastern Utility Rate
6 Seminar sponsored by the National Association of Regulatory Utility
7 Commissioners Committee on Water.

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

9 A. The purpose of my testimony is to support and explain the pro forma
10 accounting adjustments to the operating statement, which affect chemicals,
11 fuel and power, waste disposal, purchased water, and lease expense.

12 **ACCOUNTING ADJUSTMENTS**

13 **Q. WHAT SCHEDULE WILL YOU BE DISCUSSING?**

14 A. I will be discussing certain aspects of Schedule CAS-15, which is
15 sponsored by Company Witness Roesch.

16 **Q. WHO PREPARED THE PAGES OF THIS SCHEDULE THAT YOU WILL
17 BE DISCUSSING?**

18 A. I will discuss those pages that were prepared by me.

19 **PURCHASED WATER**

20 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES
21 RELATED TO PURCHASED WATER.**

1 A. The purpose of this adjustment is to annualize the Company's expense
2 associated with water purchases and recognize that the St. Louis District will
3 now supply nearly 100% of the water demand for the St. Charles District. The
4 details of this adjustment can be found at Schedule CAS-15, page 8.

5 **FUEL AND POWER**

6 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES
7 RELATED TO FUEL AND POWER.**

8 A. The purpose of this adjustment is to annualize fuel and power expense for
9 changes that have occurred, or are expected to occur, by the true-up date.
10 The details of this adjustment can be found at Schedule CAS-15, page 6.

11 **CHEMICALS**

12 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES
13 RELATED TO CHEMICALS.**

14 A. The purpose of this adjustment is to annualize chemical expense to achieve a
15 normal level needed to treat water produced by the Company under normal
16 conditions and demands at current contract prices. The details of this
17 adjustment can be found at Schedule CAS-15, page 7.

18 **Q. DO THE ADJUSTMENTS YOU HAVE DISCUSSED THUS FAR INCLUDE A
19 PRO FORMA SALES ADJUSTMENT?**

1 A. Yes. For all three adjustments noted above, each expense was also adjusted
2 to incorporate the pro forma sales adjustment as discussed by Mr. Grubb in
3 his Direct Testimony.

4 **WASTE DISPOSAL**

5 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES**
6 **RELATED TO WASTE DISPOSAL.**

7 A. The purpose of this adjustment is to annualize the Company's expense
8 related to waste disposal. The details of this adjustment can be found at
9 Schedule CAS-15, page 9.

10 **LEASE EXPENSE**

11 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO OPERATING EXPENSES**
12 **RELATED TO LEASE EXPENSE.**

13 A. The adjustment was made to establish an ongoing level of lease
14 expenditures. This includes office rentals, equipment leases, railroad
15 crossings, and right-of-way. The details of this adjustment can be found at
16 Schedule CAS-15, page 13.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes.