

**Exhibit No.:**

**Issue(s):**

**Witness/Type of Exhibit:**

**Sponsoring Party:**

**Case No.:**

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Cost of Service  
Murray/Surrebuttal  
Public Counsel  
SM-2025-0067

**SURREBUTTAL TESTIMONY**

**OF**

**DAVID MURRAY**

Submitted on Behalf of the Office of the Public Counsel

**CONFLUENCE RIVERS UTILITY  
OPERATING COMPANY, INC.  
&  
MISSOURI-AMERICAN WATER COMPANY**

CASE NO. SM-2025-0067

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Denotes Confidential Information that has been redacted.

May 23, 2025

**CONFIDENTIAL**

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**SURREBUTTAL TESTIMONY**

**OF**

**DAVID MURRAY**

**CONFLUENCE RIVERS UTILITY OPERATING COMPANY INC. AND  
MISSOURI-AMERICAN WATER COMPANY**

**FILE NO. SM-2025-0067**

**Q. Please state your name and business address.**

A. My name is David Murray and my business address is P.O. Box 2230, Jefferson City, Missouri 65102.

**Q. Are you the same David Murray who previously filed Rebuttal Testimony in this case?**

A. Yes.

**Q. What information did Staff provide in its rebuttal testimony?**

A. Jarrod J. Robertson sponsored Staff's recommendation filed on December 30, 2024. Mr. Robertson did not provide any updated information as it relates to Confluence Rivers Utility Operating Company Inc. ("Confluence") or Missouri American Water Company ("MAWC"). Staff filed no other rebuttal testimony.

**Q. Did Staff address any of the concerns the Missouri Office of the Public Counsel ("OPC") raised in its January 9, 2025, response to Staff's December 30, 2024, recommendation?**

A. No.

**Q. What is your response to Staff's rebuttal testimony?**

A. I still maintain the position I expressed in my rebuttal testimony. Staff should have addressed the higher capital costs I identified in the OPC's response to Staff's recommendation. In this testimony, I will provide the Commission the most accurate and up-to-date information on which to make its decision.

**UPDATED AND ADDITIONAL INFORMATION**

**Q. Have you received new information which could impact your comparative analysis of Confluence and MAWC’s projected capital costs?**

A. Somewhat. After I filed my Rebuttal Testimony, I received information in response to OPC Data Request No. 42 (attached as Schedule DM-S-1), which the OPC issued to clarify MAWC’s response to OPC Data Request No. 31. In its response to Data Request No. 42, MAWC clarified that its response to OPC DR No. 31<sup>1</sup> included projected capital budget information for its entire Jefferson City Wastewater Group, as well as disaggregated “Individual Projects Scheduled” data specific to three of the nineteen systems subject to the Joint Application. However, MAWC made clear in its response to OPC Data Request No. 31 that the \*\*\_\_\_\_\_

\_\_\_\_\_ \*\*2 MAWC did not at that time and has not since then provided disaggregated information for the nineteen systems individually.

MAWC and Confluence Utility Operating Company, Inc. (“Confluence” and collectively with MAWC, the “Companies”) issued Data Request No. 9 to OPC to inquire as to whether MAWC’s clarifying response would impact the analysis I performed for purposes of my rebuttal testimony. As shown in my response (attached as Schedule DM-S-3), while I would certainly consider such information in my analysis, I am unable to do so unless MAWC provides disaggregated data for the nineteen systems involved in this transaction.

**Q. Is there any other information referenced in your rebuttal testimony that should be updated?**

A. Yes. In my Rebuttal Testimony, I identified MAWC’s current base rate for the wastewater customers for these systems to be \$65.36/month. After I filed that testimony, the Commission issued a Report and Order in MAWC’s most recent rate case, Case Number WR-2024-0320, and approved the compliance tariff sheets MAWC filed in that case.

<sup>1</sup> To ensure the record is clear, MAWC’s response to OPC DR No. 31 was attached to my Rebuttal Testimony as Schedule DM-R-6.

<sup>2</sup> The Jefferson City Wastewater group contains forty-eight wastewater systems. (MAWC response to OPC DR. 41, attached as Schedule DM-S-2).

1 According to MAWC's tariff sheets filed on May 12, 2025, customers of these nineteen  
2 systems will be charged \$74.11/month starting on May 28, 2025.<sup>3</sup>

3 **Q. Does MAWC's increased rates change OPC's recommendation to deny the proposed**  
4 **transaction?**

5 A. No. While this rate is higher than Confluence's current rates of \$60.21/month for District  
6 1 customers and \$70.83/month for District 2 customers, OPC's argument is not based on  
7 current rates Confluence charges customers, but rather Confluence's potential cost of  
8 service when it files for a rate increase during the second half of this year. As I explained  
9 in my Rebuttal Testimony, Confluence itself assumes that it will charge customers  
10 \*\*\_\_\_\_\_\*\* for purposes of preparing the pro forma financial statements it attached  
11 to the Joint Application. Also, in my rebuttal testimony, I identified specific aspects of  
12 Confluence's cost structure that are higher than MAWC's cost structure.

13 The Companies have not provided data/analysis which demonstrates that Confluence will  
14 achieve cost savings in other cost of service components to ensure customers of these  
15 nineteen systems will not be charged higher rates than under MAWC's ownership, at least  
16 over the next five years.

17 **Q. Does this conclude your surrebuttal testimony?**

18 A. Yes.

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<sup>3</sup> It is important to note that the customers of these nineteen systems will likely pay this rate regardless of whether MAWC maintains ownership of the systems or if Confluence acquires the systems. In its response to OPC's Data Request No. 39, Confluence stated that

It is the Company's intention to adopt at the time the application is approved by the Commission the base rate that is being charged to customers of the systems at issue in this case. If the rates change as a result of any pending case, Confluence Rivers will likely request the adoption of the approved rates.

In the Matter of the Joint Application of	)	
Confluence Rivers Utility Operating	)	
Company, Inc., and Missouri-American	)	
Water Company for Authority for	)	
Confluence Rivers Utility Operating	)	Case No. SM-2025-0067
Company, Inc. to Acquire Certain Sewer	)	
Assets of Missouri-American Water	)	
Company in Callaway and Morgan	)	
Counties, Missouri	)	

**STATE OF MISSOURI            )**  
   )  
**COUNTY OF COLE              )          SS**

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

TIFFANY HILDEBRAND  
NOTARY PUBLIC - NOTARY SEAL  
STATE OF MISSOURI  
MY COMMISSION EXPIRES AUGUST 8, 2027  
COLE COUNTY  
COMMISSION #15637121

Tiffany Hildebrand  
Tiffany Hildebrand  
Notary Public

My Commission expires August 8, 2027.