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Service Commission

Exhibit No. 301

OPC – Exhibit 301
David Murray Testimony
Surrebuttal
File No. SM-2025-0067

Exhibit No.:
Issue(s):
Witness/Type of Exhibit:
Sponsoring Party:
Case No.:

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

** _____ **
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

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

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

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

6 A. Yes.

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

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

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

14 A. No.

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

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

1 **UPDATED AND ADDITIONAL INFORMATION**

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

4 A. Somewhat. After I filed my Rebuttal Testimony, I received information in response to
5 OPC Data Request No. 42 (attached as Schedule DM-S-1), which the OPC issued to clarify
6 MAWC’s response to OPC Data Request No. 31. In its response to Data Request No. 42,
7 MAWC clarified that its response to OPC DR No. 31¹ included projected capital budget
8 information for its entire Jefferson City Wastewater Group, as well as disaggregated
9 “Individual Projects Scheduled” data specific to three of the nineteen systems subject to
10 the Joint Application. However, MAWC made clear in its response to OPC Data Request
11 No. 31 that the **_____

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

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

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

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

1 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.

2 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, 2025.³

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.

³ 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.

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


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)

AFFIDAVIT OF DAVID MURRAY

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

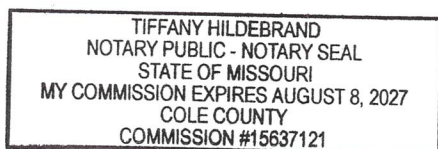
David Murray, of lawful age and being first duly sworn, deposes and states:


1. My name is David Murray. I am a Utility Regulatory Manager for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
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.



David Murray
Utility Regulatory Manager

Subscribed and sworn to me this 21st day of May 2025.





Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.