

# Exhibit No. 119

Staff – Exhibit 119  
Sherrye Lesmes  
Rebuttal Testimony (Cost of Service)  
File No. WR-2022-0303

*Exhibit No.:*  
*Issue(s):* *Postage Expense*  
*Witness:* *Sherrye Lesmes*  
*Sponsoring Party:* *MO PSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *WR-2022-0303*  
*Date Testimony Prepared:* *January 18, 2023*

**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL AND BUSINESS ANALYSIS DIVISION**  
**AUDITING DEPARTMENT**

**REBUTTAL TESTIMONY**  
**OF**  
**SHERRYE LESMES**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WR-2022-0303**

*Jefferson City, Missouri*  
*January 2023*

1 **REBUTTAL TESTIMONY OF**

2 **SHERRYE LESMES**

3 **MISSOURI-AMERICAN WATER COMPANY**

4 **CASE NO. WR-2022-0303**

5 Q. Please state your name and business address.

6 A. My name is Sherrye Lesmes and my business address is 200 Madison Street,  
7 Jefferson City, Missouri 65101.

8 Q. By whom are you employed and in what capacity?

9 A. I am employed by the Missouri Public Service Commission (“Commission”) as  
10 a Utility Regulatory Auditor.

11 Q. Are you the same Sherrye Lesmes who filed direct testimony in this case on  
12 November 22, 2022?

13 A. Yes, I am.

14 **EXECUTIVE SUMMARY**

15 Q. What is the purpose of your testimony in this case?

16 A. The purpose of my testimony is to explain corrections to Staff’s postage expense  
17 adjustment.

18 **POSTAGE EXPENSE**

19 Q. How did Staff determine the annualized postage expense in its direct filing?

20 A. Staff annualized postage by using the total number of mailings for the twelve  
21 months ending June 30, 2022, and applied the United States Postal Service’s most recent  
22 postage rates, by district.

Rebuttal Testimony of  
Sherrye Lesmes

1 Q. Are there corrections to postage expense for this rebuttal filing?

2 A. Yes. In the direct filing, Staff directly allocated postage expense for Missouri-  
3 American Water Company (“MAWC”) to the four districts using Staff’s customer count  
4 allocation factor. However, Staff allocated the test year totals for postage expense from  
5 American Water Works Company, Inc. (“AWWC”) and American Water Works Service  
6 Company, Inc. (“Service Company”) to the four districts using Staff’s Massachusetts (hybrid)  
7 allocation factor.

8 For this filing, Staff allocated both the test year and the annualized expense  
9 based upon the number of customers. The annualized amount is included in the AWWSC  
10 Services - Customer Accounting account.

11 Q. What is the Staff’s current annualized level for postage expense?

12 A. Staff’s current annualized level for MAWC’s postage expense is \$2,170,484.

13 Q. Does this conclude your rebuttal testimony?

14 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 ) Case No. WR-2022-0303  
Implement General Rate Increase for Water )  
and Sewer Service Provided in Missouri )  
Service Areas )

**AFFIDAVIT OF SHERRYE LESMES**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW SHERRYE LESMES** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Sherrye Lesmes*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

*Sherrye Lesmes*  
SHERRYE LESMES

**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 11<sup>th</sup> day of January 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

*D. Suzie Mankin*  
Notary Public