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January 30, 2026  
Missouri Public  
Service Commission

## Exhibit No. 200

Staff – Exhibit 200  
Keri Roth Testimony  
Direct  
Case No. WR-2025-0345

*Exhibit No.:*  
*Issue(s):* *Staff Recommendation*  
*Witness:* *Keri Roth*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *WR-2025-0345*  
*Date Testimony Prepared:* *December 30, 2025*

**MISSOURI PUBLIC SERVICE COMMISSION**  
**INDUSTRY ANALYSIS DIVISION**  
**WATER, SEWER, GAS, AND STEAM DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**KERI ROTH**

**MISSOURI-AMERICAN WATER COMPANY**

**CASE NO. WR-2025-0345**

*Jefferson City, Missouri*  
*December 2025*

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1 Missouri-American Water Company's ("Company" or "MAWC") Water and Sewer  
2 Infrastructure Rate Adjustment ("WSIRA") petition.

3 Q. Can you please summarize MAWC's WSIRA petition?

4 A. Yes. On September 3, 2025, MAWC filed its *Petition to Establish a Water and*  
5 *Sewer Infrastructure Rate Adjustment (WSIRA) and Motion for Approval of Customer Notice*  
6 *("Petition")*. This is MAWC's first WSIRA filing since the Commission issued its *Report and*  
7 *Order* in the Company's most recently completed general rate case, Case No. WR-2024-0320.  
8 WSIRA rates were reset to zero dollars as a result of that Commission order. The Petition  
9 requests authority to recover WSIRA investment that was placed in service for the period  
10 May 31, 2025, to July 31, 2025, with estimated WSIRA costs for August 1, 2025, through  
11 October 31, 2025 also included. MAWC estimates in its Petition that it is entitled in this case  
12 to WSIRA water revenues of \$15,239,647 and sewer revenues of \$216,589.

13 On September 5, 2025, the Commission issued its *Order Directing Notice, Setting an*  
14 *Intervention Deadline, Directing a Staff Recommendation, and Consolidating Files*. No other  
15 parties have requested to intervene in this case. On September 8, 2025, the Commission issued  
16 its *Order Suspending Tariff Sheets*. The Commission directed Staff to file its recommendation  
17 regarding the WSIRA filing no later than December 2, 2025. The Commission ordered  
18 responses to Staff's recommendation no later than December 9, 2025.

19 MAWC provided Staff with final, updated workpapers, which included actual  
20 investments through October 2025, on November 18, 2025. MAWC's final request includes  
21 WSIRA water revenues of \$15,726,666 and sewer revenues of \$208,630.

22 Q. What were Staff's findings during its investigation?

1           A.     During Staff's review of accounting entries and invoices, Staff identified  
2 expenses related to service line investigations, chemical expense, and meter relocation program  
3 that Staff does not believe are WSIRA eligible project expenses. Section 393.1503(7), RSMo.  
4 of the WSIRA statute provides a specific list of the types of expenses that qualify for recovery  
5 under WSIRA. Neither chemical expense or meter relocations appear in the statute. It is Staff's  
6 position that MAWC should not earn a return on these types of expenses.

7           Staff believes service line investigation expenses should be recovered as part of a  
8 normal rate case process. The U.S. Environmental Protection Agency requires water companies  
9 to keep an inventory of service line material; therefore, the inventory must be performed  
10 whether or not a service line is replaced.

11           The effect of the disallowed expenses after depreciation and taxes is a total revenue  
12 requirement \$368,145 less than MAWC requested. Staff adjusted its calculations based on final  
13 numbers provided by MAWC and submitted its *Staff Recommendation* on December 2, 2025.  
14 Staff filed an *Amended Staff Recommendation* ("Recommendation") on December 9, 2025,  
15 citing a calculation error relating to Rate B.

16           Q.     Please summarize Staff's Recommendation.

17           A.     Staff agrees with MAWC's methodology in calculating the WSIRA revenue  
18 requirement for the Petition. Staff replaced estimated costs filed in the Petition and updated the  
19 balances with the actual cost for the specific period. As previously mentioned, Staff disallowed  
20 expenses related to service line investigations, chemical expense, and meter relocation program.  
21 Based upon its investigation and calculations, Staff concludes MAWC's actual WSIRA rates  
22 should be designed to recover annual WSIRA water revenues of \$15,358,520 and sewer  
23 revenues of \$208,630. These amounts include \$12,279,215 from St. Louis County water

1 customers, \$3,079,305 from All Other water customers, \$1,861 from Arnold sewer customers,  
2 and \$206,769 from All Other sewer customers, for a total of \$15,567,151.

3 Additionally, Staff's calculations reflect the overall weighted average cost of capital of  
4 7.00% (tax grossed up rate of return) and MAWC's current depreciation rates, as reflected in  
5 the *Stipulation and Agreement* the Commission approved and ordered on May 7, 2025, in  
6 MAWC's last general rate case, Case No. WR-2024-0320. Staff's calculations reflect the actual  
7 WSIRA eligible investment placed in service from May 31, 2025, through October 31, 2025.  
8 In addition, no property taxes have been included in Staff's calculation, as there will be  
9 no property tax liability from MAWC due within the next 12 months related to these  
10 WSIRA investments.

11 Q. Please summarize the other parties' responses to Staff's Recommendation.

12 A. On December 9, 2025, MAWC filed its *Response to Staff Recommendation*  
13 stating MAWC does not object to Staff's recommended incremental pre-tax WSIRA  
14 revenues of \$15,567,151. MAWC further agreed that the total revenues would be divided as  
15 follows: \$12,279,215 from St. Louis County water customers, \$3,079,305 from All Other  
16 water customers, \$1,861 from Arnold sewer customers, and \$206,769 from All Other  
17 sewer customers.

18 Additionally, on December 9, 2025, OPC filed its *Response to Staff Recommendation*  
19 which also included an attached *Memorandum*, sponsored by OPC witness John Riley.  
20 Mr. Riley states in his *Memorandum*:

21 The OPC does not dispute Staff's calculations of rate base, depreciation,  
22 or its exclusion of property taxes from the WSIRA revenue requirement

1                    calculations. The OPC's only adjustment to Staff's findings is to exclude  
2                    the associated gross up calculation on the income tax expense.<sup>1</sup>

3                    Mr. Riley goes on to explain that disallowing the gross up calculation on the income tax  
4                    expense will result in a reduction to Staff's total revenue requirement calculation of \$430,535.<sup>2</sup>

5                    Q.        What is Staff's position regarding Mr. Riley's gross up calculation on income  
6                    tax expense?

7                    A.        Staff will respond in rebuttal testimony to Mr. Riley's direct testimony and  
8                    *Memorandum.*

9                    Q.        Does this conclude your direct testimony?

10                  A.        Yes, it does.

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<sup>1</sup> OPC Memorandum, page 2.

<sup>2</sup> OPC Memorandum, page 3.

# Keri Roth

## Educational, Employment Background and Credentials

I am currently a Lead Senior Utility Regulatory Auditor in the Water, Sewer, Gas, and Steam Department, Industry Analysis Division for the Missouri Public Service Commission (Commission). I joined the Commission in August 2021. Prior to joining the Commission, I was employed by the State of Missouri – Office of the Public Counsel from September 2012 to August 2021 as a Senior Utility Regulatory Auditor.

I earned a Bachelor of Science degree in Accounting from Lincoln University in Jefferson City, MO in May 2011. In earning this degree, I completed numerous core Accounting and business classes.

## Summary of Case Testimony Filed

Utility	Case Number	Testimony Issues
Empire District Electric Company	ER-2012-0345	Rate Case Expense, 2007 Ice Storms Cost
Emerald Pointe Utility Company	SR-2013-0016	Rate Case Expense, Sewer Commodity Charge Over-Charge Refund, Refund of Late Fees and Reconnection Fees, Customer Deposit Refunds, Legal Fee Expense, Hollister Sewage Treatment Expense, Interest Related to Refunds
Lake Region Water & Sewer Company	WR-2013-0461	Sludge Hauling Expense, Payroll-Life Insurance Expense, Rate Case Expense, Miscellaneous Expense – Service Charges and Charitable Contributions, Legal Fees, PWSD #4 Labor Expense, Equipment Rental, Office Supplies, Travel and Entertainment, Transportation Expense, Shawnee Bend Lagoon Retirement
Summit Natural Gas of Missouri, Inc.	GR-2014-0086	Bargain Purchase Discount, Depreciation Reserve

Utility	Case Number	Testimony Issues
Hickory Hills Water & Sewer Company, Inc.	WR-2014-0167 SR-2014-0166	Receiver Fees, Receiver Fee Amortization Expense, System Maintenance and Repairs, Meter Reading Expense, Amortization Expense, Depreciation Expense and Reserve, CIAC Amortization and Expense, Return on Equity
Empire District Electric Company	ER-2014-0351	Vegetation Management, Infrastructure Inspection Annualized Expense and Trackers, Advanced Coal Project Investment Tax Credit (ITC) Over-Collection, Iatan 2, Iatan Common, and Plum Point Operations and Maintenance Expense and Trackers, Corporate Franchise Tax, Riverton Unit 7 Depreciation Expense, Rate Case Expense, Prepayments, Injuries and Damages, Riverton 12 Operations and Maintenance Expense Tracker Request
Laclede Gas Company	GO-2015-0178	Telemetric Equipment Replacement Costs, “Budget” Infrastructure Costs
Missouri Gas Energy	GO-2015-0179	“Budget” Infrastructure Costs
Missouri American Water Company	WR-2015-0301	Atrazine Settlement Refund, Insurance Other Than Group, Equipment Lease Expense, Payroll and Benefits, Advertising Expense, PSC Assessment, Postage Expense, Tank Painting Tracker and Expense, Emerald Pointe Pipeline Amortization, Investment Tax Credit (ITC), Materials and Supplies, Prepayments
Empire District Electric Company	ER-2016-0023	Vegetation Management Expense and Trackers, Advanced Coal Tax Credit (ITC) Over-Collection, Iatan 2, Iatan Common, and Plum Point Operations and Maintenance Expense and Trackers (Generation Plant O&M Trackers), May 2011 Tornado Deferrals, Iatan 1, Iatan 2, and Plum Point Carrying Costs, Southwestern Power Administration Hydro Reimbursement, Bad Debt Expense, Riverton 12 Long-Term Maintenance Contract Tracker, Trackers in Rate Base
Hillcrest Utility Operating Company, Inc.	WR-2016-0064	Employee Wages, Auditing and Income Tax Preparation Fees, Property Taxes

Utility	Case Number	Testimony Issues
Raccoon Creek Utility Operating Company, Inc.	SR-2016-0202	Corporate Allocation Factor, Employee Wages, Auditing and Income Tax Preparation Fees, Property Taxes, Self-Dealing, Capital Structure, Return on Equity, Cost of Debt, Account 301 – Organization Costs, Rate Case Expense
Moore Bend Water Utility, LLC	WC-2016-0252	Safe and Adequate Service
Terre Du Lac Utilities Corporation	WR-2017-0110	Revenue Requirement
Indian Hills Utility Operating Company, Inc.	WR-2017-0259	Employee Salaries and Benefits, Pre-Acquisition Engineering Fees, AFUDC, Management Consultant Fees, Auditing Expense, Tax Preparation Expense, Bank Fees, Rate Base, Revenue Requirement, Partial Disposition Agreement, Leak Repairs, Rate Case Expense, Corporate Allocation Factor
Missouri American Water Company	WR-2017-0285	Hickory Hills Amortization, Woodland Manor Amortization, Arnold Pipeline Amortization, Lobbying Expense, Charitable Contributions, City of Hollister Pipeline Amortization, Main Break Expense, Maintenance Expense, Promotional Giveaways, Payroll, Lead Service Lines – Accounting Treatment, Main Break Expense
Gascony Water Company	WR-2017-0343	Mileage Expense, Rate Case Expense
Liberty Utilities (Midstates Natural Gas) Corp. D/B/A Liberty Utilities	GR-2018-0013	Payroll, Incentive Compensation, Pensions and OPEBs Expense, Revenues
Kansas City Power & Light Company	ER-2018-0145	Opinion Information – Lobbying Expense
KCP&L Greater Missouri Operations Company	ER-2018-0146	Opinion Information – Lobbying Expense
Spire Missouri, Inc.	GU-2019-0011	Annual PSC/OPC Assessment AAO Request
Osage Utility Operating Company, Inc.	WA-2019-0185	Publicity and Customer Notice, Debit Acquisition Adjustment, Additional Standing Offers to Acquire OWC, Termination of Reflections Sale Agreement, Public Interest
Confluence Rivers Utility Operating Company, Inc.	WA-2019-0299	Public Interest
Missouri American Water Company	WR-2020-0344	Vacant and Temporary Payroll Positions, COVID-19 AAO Cost Recovery

Utility	Case Number	Testimony Issues
Missouri American Water Company	WR-2022-0303	Rate Design, Class Cost of Service, Miscellaneous Service Charges
Confluence Rivers Utility Operating Company, Inc.	WR-2023-0006	Rate Design/Cost of Service, Miscellaneous Service Charges
Union Electric Company, d/b/a Ameren Missouri	GR-2024-0369	Class Cost of Service, Rate Design, Miscellaneous Service Charges, Special Contract Rates
Spire Missouri Inc., d/b/a Spire	GR-2025-0107	Class Cost of Service, Rate Design, Miscellaneous Service Charges, Special Contract Rates