

Exhibit No.:
Issue(s): *Ratemaking*
Witness: *Jarrold J. Robertson*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *WA-2026-0072*
Date Testimony Prepared: *May 7, 2026*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

WATER, SEWER, GAS & STEAM DEPARTMENT

REBUTTAL TESTIMONY

OF

JARROLD J. ROBERTSON

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WA-2026-0072

Jefferson City, Missouri
May 7, 2026

Rebuttal Testimony of
Jarrod J. Robertson

1 Q. What does Condition 2 of Staff’s Memorandum state?

2 A. Condition 2 states, “Approve existing MAWC water tariff P.S.C. MO No. 13,
3 All Missouri Service Areas Outside of St. Louis County, and sewer tariff P.S.C. MO No. 26,
4 13th Revised Sheet No. RT 3.1, rates for the Systems to be acquired.”¹

5 Q. On page 6, line 16 of his direct testimony, Mr. LaGrand states,
6 “[t]he Company has acquired 34 systems since the statute was amended in 2013.”²
7 Beginning on line 21 of page 6, Mr. LaGrand questions, “[o]f those 34 acquired systems,
8 did Staff ever recommend that the acquired system remain on their existing rates, as the
9 Company is requesting for the City of Neosho in this case?” And on page 7, line 3,
10 Mr. LaGrand continues, “[y]es. Out of the 34 acquired systems, Staff recommended the
11 systems remain on their current rates in 14 states cases. In the other 20 cases,
12 Staff recommended the systems be placed on MAWC rates. In 28 of the 34 acquisitions,
13 Staff’s recommendation agreed with the Company’s original rate proposal.” From the
14 quotes above, it is evident that Mr. LaGrand is asserting that all 34 previous acquisition
15 cases are relevant to this case. Do you agree with Mr. LaGrand’s assertion?

16 A. No, of the 34 cases outlined by Mr. LaGrand, only ten are relevant to
17 this case.

¹ Staff Memorandum, page 22 of 24.

² In 2013, the following language was added to Section 393.320, RSMo as subsection 6 of the statute: “[u]pon the date of the acquisition of a small water utility by a large water public utility, whether or not the procedures for establishing ratemaking rate base provided by this section have been utilized, the small water utility shall, for ratemaking purposes, become part of an existing service area, as defined by the public service commission, of the acquiring large water public utility that is either contiguous to the small water utility, the closest geographically to the small water utility, or best suited due to operational or other factors. This consolidation shall be approved by the public service commission in its order approving the acquisition.” This language has not changed in subsequent versions of this statute.

Rebuttal Testimony of
Jarrod J. Robertson

1 Q. How so?

2 A. Mr. LaGrand outlined all acquisition cases before the Commission since
3 the Appraisal Statute was amended in 2013, while not separating out acquisition cases
4 that utilized Section 393.320, RSMO ("Appraisal Statute") when applying for a
5 Certificate of Convenience and Necessity ("CCN").

6 Q. Why is this separation of case data important when analyzing historical
7 MAWC acquisition cases?

8 A. Utilization of the Appraisal Statute within an application for a CCN is
9 distinctly different than a typical CCN case, in that it injects requirements and
10 methodologies not present in acquisition cases which do not utilize the
11 Appraisal Statute. I will revisit this dynamic later in my testimony.

12 Q. Do you have a list of these completed MAWC CCN acquisition cases in
13 which the Appraisal Statute was utilized?

14 A. Yes. Following is a list of said cases in order from most recent to oldest:

15 1) WA-2025-0298 (Johnson County)

16 2) WA-2023-0434 (Ironton)

17 3) WA-2023-0345 (Wood Heights)

18 4) WA-2023-0071 (Smithton)

19 5) WA-2022-0311 (Stewartsville)

20 6) WA-2022-0239 (Purcell)

21 7) WA-2022-0049 (Orrick)

22 8) WA-2021-0391 (Garden City)

23 9) WA-2021-0376 (Eureka)

24 10) WA-2018-0222 (Lawson)

1 Q. What relevant information would you like to address regarding the
2 previously outlined acquisition cases in which the Appraisal Statute was
3 utilized by MAWC?

4 A. Ten previous MAWC acquisition cases utilized the Appraisal Statute.
5 In all but one of them, the system to be acquired was assigned an existing MAWC rate.
6 Following the first acquisition case utilizing the Appraisal Statute in 2018,
7 MAWC proposed adopting the municipality's current system rates in the next three
8 cases, Eureka, Garden City and Orrick. In each of these three cases, Staff recommended
9 enveloping said systems into existing MAWC rate districts, with the Commission
10 approving Staff's Recommendation in each case.

11 Over the next six acquisition-appraisal statute CCN requests prior to this
12 Neosho case, MAWC proposed to adopt existing MAWC district rates, with Staff
13 recommending the same and the Commission approving the same.

14 Q. Why is this important?

15 A. In the last six acquisitions, prior to Neosho, MAWC proposed the adoption
16 of current MAWC district rates. MAWC's proposal regarding rates for Neosho, are an
17 outlier from MAWC's most recent practices.

18 Q. Has Staff and the Commission remained consistent in their practices
19 regarding the recommendation and assignment of rates in acquisition cases involving the
20 Appraisal Statute over the last nine acquisition-appraisal cases?

Rebuttal Testimony of
Jarrod J. Robertson

1 A. Yes. Staff has recommended an existing MAWC rate district in each of the
2 previous nine acquisition-appraisal cases. In each of these cases, the Commission has
3 approved Staff’s recommendation.

4 Q. What impact does a change in MAWC’s rate proposal strategy have on rate
5 assignment in this Neosho case?

6 A. It is Staff’s position that it should have no impact. On the advice of counsel,
7 rate assignment within an acquisition case utilizing the Appraisal Statute is governed by
8 compliance with the Appraisal Statute stating the system to be acquired be consolidated
9 with an existing rate district, during the acquisition. Per the Appraisal Statute, “[u]pon the
10 date of the acquisition of a small water utility by a large water public utility, whether or
11 not the procedures for establishing ratemaking rate base provided by this section have
12 been utilized, the small water utility shall, for ratemaking purposes, become part of an
13 existing service area, as defined by the public service commission, of the acquiring large
14 water public utility that is either contiguous to the small water utility, the closest
15 geographically to the small water utility, or best suited due to operational or other
16 factors. **This consolidation shall be approved by the public service commission in its
17 order approving the acquisition.**”(Emphasis Added)³ The Commission should reject
18 MAWC’s request to depart from the requirements of the statute.

³ Section 393.320.6, RSMo.

Rebuttal Testimony of
Jarrod J. Robertson

1 Q. Is there any other information related to the above description of
2 acquisition cases from Mr. LaGrand's testimony you would like to address?

3 A. Yes. This comparison of MAWC-proposed rates versus
4 Staff-recommended- rates (within CCN cases where the Appraisal Statute was not
5 utilized), does reveal that analysis of and subsequent assigning of rates occurs within an
6 acquisition case.

7 Q. How are these described aspects regarding the process of ratemaking for
8 Staff evident?

9 A. In the 24 acquisition cases not governed by the Appraisal Statute, there are
10 several examples of Staff recommending current system rates (Case Nos. WA-2015-0019
11 and 2017-0181), or an existing MAWC district (Case Nos. WA-2015-0108 and
12 WM-2019-0018). As well as multiple examples of Staff either agreeing to MAWC's
13 proposal or not, based on analysis of the reasonableness of the rate proposal
14 (Case Nos. WM-2018-0104 and WA-2021-0116).

15 When evaluating for reasonableness of rates proposed by a utility in a CCN,
16 Staff examines multiple data points, such as: the rates customers are currently being
17 charged, consistency for rates across customers of the same operating company
18 receiving similar services, and the efficiency of assigned rates to cover operating costs
19 on a per-customer basis.

20 If the acquiring company is a large utility, and there exists a large gap between
21 current and proposed rates, Staff will analyze rate design methods to ease shock.

Rebuttal Testimony of
Jarrod J. Robertson

1 Also, if a company's CCN will be their first time setting rates, Staff will perform a
2 much more in-depth review of expected costs to recommend a reasonable rate to be
3 implemented until sufficient data exists for a proper rate case. Because while large
4 companies can absorb shortfalls due to rates that are designed to be relatively
5 short-term, a small independent company has much less capacity for a similar shortfall.
6 One such example is the Branson Cedars CCN, Case No. WA-2015-0049, which included
7 a condition that Branson Cedars file general rate actions between 12-18 months of the
8 effective date of the Commission's Report and Order in that case.⁴

9 Q. Does this conclude your rebuttal testimony?

10 A. Yes, it does.

⁴ Case No. WA-20215-0049, Staff's Revised Recommendation, Item No. 34, August 3, 2015.

