

Exhibit No.: 128
Issues: Tank Painting Tracker Adjustment, Non-
Revenue Water Adjustment,
Consolidated Tariff Rules, Metering of
Large Users in the St. Joseph District,
Tariff Provisions for Residential Fire
Sprinkler Service
Witness: Greg A. Weeks
Exhibit Type: Rebuttal
Sponsoring Party: Missouri-American Water Company
Case No.: WR-2010-0131
SR-2010-0135
Date: April 15, 2010

MISSOURI PUBLIC SERVICE COMMISSION

**CASE NO. WR-2010-0131
CASE NO. SR-2010-0135**

REBUTTAL TESTIMONY

OF

GREG A. WEEKS

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY


MAWC Exhibit No. 128
Date 5-17-10 Reporter RF
File No. WR-2010-031

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

IN THE MATTER OF MISSOURI-AMERICAN) WATER COMPANY FOR AUTHORITY TO) FILE TARIFFS REFLECTING INCREASED) RATES FOR WATER AND SEWER) SERVICE)	CASE NO. WR-2010-0131 CASE NO. SR-2010-0135
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AFFIDAVIT OF GREG A. WEEKS

Greg A. Weeks, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Rebuttal Testimony of Greg A. Weeks"; that said testimony and schedules were prepared by him and/or under his direction and supervision; that if inquires were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge.



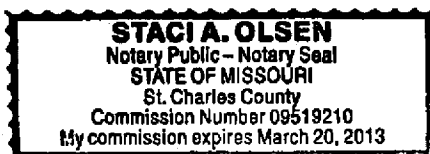
Greg A. Weeks

State of Missouri
County of St. Louis
SUBSCRIBED and sworn to
Before me this 14th day of April 2010.



Notary Public

My commission expires:



**REBUTTAL TESTIMONY
DENNIS R. WILLIAMS
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WR-2010-0131
SR-2010-0135**

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**REBUTTAL TESTIMONY
OF
GREG A.WEEKS**

I. WITNESS INTRODUCTION

1

2

3 **Q. STATE YOUR NAME AND BUSINESS ADDRESS?**

4 A. Greg Weeks, 727 Craig Road, St. Louis, Missouri 63141.

5

6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 A. I am Vice President of Operations for Missouri-American Water
8 Company ("MAWC" or the "Company").

9

10 **Q. ARE YOU THE SAME GREG WEEKS THAT PROVIDED DIRECT
11 TESTIMONY IN THIS CASE?**

12 A. Yes.

13

14 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

15 A. I will address the following issues which were raised in the Staff Report or
16 Direct Testimony of some of the Intervenors:

- 17 - Tank Painting Tracker Adjustment
- 18 - Non-Revenue Water Adjustment
- 19 - Consolidated Tariff Rules
- 20 - Metering of Large Users in the St. Joseph District
- 21 - Tariff Provisions for Residential Fire Sprinkler Service

22

23 **II. TANK PAINTING TRACKER ADJUSTMENT**

24

25 **Q. ON PAGE 3 OF THE STAFF REPORT, STAFF RECOMMENDS THAT IF A
26 TRUE-UP THROUGH APRIL 30, 2010 IS AUTHORIZED BY THE
27 COMMISSION, THE STAFF INTENDS TO TRUE-UP COMPONENTS OF**

1 THE REVENUE REQUIREMENT. ONE SUCH COMPONENT THAT STAFF
2 INTENDS TO TRUE-UP, IS THE TANK PAINTING TRACKER. DOES THE
3 COMPANY AGREE WITH THIS RECOMMENDATION?

4 A. Yes.

5
6 Q. STAFF ALSO PROPOSES TO DISCONTINUE THE TANK PAINTING
7 TRACKER THAT WAS ESTABLISHED IN CASE NO. WR-2007-0216 DO
8 YOU AGREE WITH THIS RECOMMENDATION?

9 A. No. The Company believes the tank painting tracker is an appropriate
10 mechanism to insure that the Company recovers no more and no less than its
11 actual tank painting expense. In fact, not only does the Company propose to
12 continue the tracker but also to increase it from \$1,000,000 to \$1,600,000
13 annually.

14
15 Q. PLEASE EXPLAIN WHY THE TANK PAINTING TRACKER LEVEL
16 SHOULD BE INCREASED TO AN ANNUAL LEVEL OF \$1,600,000?

17 A. The Company conducted an analysis of the life expectancies of all of its
18 interior and exterior tank coatings. This involved impacts on coating life
19 expectancies such as type of coating, whether it is an interior or exterior
20 coating, the environments to which these coatings are exposed, the type of
21 surface that is coated (i.e., riveted steel versus welded steel), current coating
22 condition, whether the existing coating would be over-coated or removed or
23 replaced and whether the coating contains lead. This analysis resulted in the
24 assignment of a life expectancy of each coating on each tank in all of the
25 Company's districts. Following this analysis, an estimated price to either
26 overcoat or replace each coating was determined.

27
28 The Company utilized this information to calculate the average interior and
29 exterior coating life expectancies and replacement cost. The Company next
30 calculated the average number of interior and exterior painting projects to
31 determine average annual tank painting expense. In 2009 dollars, the

1 average annual tank painting expense was determined to be approximately
2 \$1,600,000.

3
4 **Q. ON PAGE 46 OF THE STAFF REPORT, THE STAFF STATES, "AS OF**
5 **OCTOBER 31, 2009 THE TRACKER HAS PRODUCED A REGULATORY**
6 **LIABILITY OF \$833,333." IS THIS AN INDICATOR THAT \$1,000,000 IS**
7 **TOO HIGH OF AN ANNUAL LEVEL FOR THE TRACKER?**

8 A. No. Although \$83,333 is accrued monthly (\$1,000,000 divided by 12
9 months), tank painting is a seasonal effort with work primarily done in the
10 spring and fall. There is usually work still being done in the October and
11 November timeframe. For the 12 months ending 10/31/08 the tracker was a
12 regulatory asset of \$79,124. For the 12 months ending 10/31/09 MAWC was
13 in the middle of a large tank project that concluded shortly thereafter. As a
14 matter of fact, nearly \$600,000 in costs were incurred during the month of
15 November, 2009. For the calendar year of 2009 MAWC's tank painting
16 expense was \$1,587,474

17
18 **Q. ON PAGE 69 OF THE STAFF REPORT, THE STAFF INDICATES THAT A**
19 **TWO YEAR AVERAGE ANNUALIZED EXPENSE WAS \$1,084,842. DOES**
20 **THIS ACCURATELY REFLECT THE COSTS INCURRED IN 2008 AND**
21 **2009?**

22 A. No. As explained previously, during 2009 MAWC undertook a large tank
23 project that concluded in November. Nearly \$600,000 in costs were incurred
24 in November that are not reflected in the average referenced in the Staff
25 report.

26
27 **Q. HOW DOES THE TRACKER MECHANISM OPERATE?**

28 A. The tracker was established in order to provide adequate funds for MAWC to
29 undertake the extensive tank paint program I have discussed. To the extent
30 MAWC spends less than the amount of the tracker included in rates
31 (proposed at \$1,600,000), the customer is protected by setting up a
32 regulatory liability that will flow back to customers over time. This provides

1 assurance that the Company will utilize those funds accordingly for the tank
2 painting program. If the Company spends more than the authorized tracker
3 amount, a regulatory asset is established that should be recovered by the
4 Company over time.
5

6 **Q. WHY IS A TRACKER MECHANISM APPROPRIATE?**

7 A. The seasonal timing of tank painting and variability from year to year of the
8 tanks to be painted makes the tracker a good mechanism to establish
9 average annual expenditures that may not be accurately captured in a
10 calendar or "test" year. With tanks ranging in capacity from 11,000,000
11 gallons to 50,000 gallons, there can be wide swings in the cost from one year
12 to the next. In addition, in terms of scheduling, tank painting needs to be
13 completed in the spring and fall when weather and water delivery to our
14 customers allows the work to be done. An extended hot and dry fall, for
15 instance, could delay fall tank painting and push it into the following year.
16 Conversely, a cold and wet summer could allow work to proceed deeper into
17 summer. The flexibility required to accommodate these operational
18 constraints can move costs from month to month and thus could impact test
19 year or calendar year analysis.
20

21 **Q. WHY IS IT IMPORTANT THEN THAT THE AUTHORIZED AMOUNT OF**
22 **THE TRACKER BE COMMENSURATE WITH THE ANNUAL LEVEL OF**
23 **EXPENDITURES?**

24 A. The existence of the tracker is important as a protection for both the customer
25 and MAWC. It is intended to act as a balancing mechanism to insure that the
26 costs of the tank painting program, and only the costs of that program, are
27 appropriately recovered. If the tracker is set substantially below the level of
28 annual expenditures, however, the regulatory asset will continue to grow from
29 year to year and future customers will be expected to pay for costs that
30 should be borne by existing customers. The converse would be true if actual
31 tank painting were below the tracker level on an ongoing basis. In this case,

1 we know that both current and future expenditure will exceed the existing
2 tracker base amount of \$1,000,000.

3
4 **Q. WHAT IS THE LEVEL OF TANK PAINTING EXPENSE THE COMPANY
5 HAS INCURRED IN 2009?**

6 A. The Company has incurred \$1,587,474, of tank painting expense in 2009.
7

8 **Q. WHERE DOES THIS FALL WITH RESPECT TO THE CURRENT ANNUAL
9 LEVEL OF THE TANK PAINTING TRACKER?**

10 A. The Company has incurred tank painting expense in 2009, which is in excess
11 of the current tracker by \$587,474.
12

13 **Q. WHAT DOES THIS LEVEL OF TANK PAINTING EXPENSE INCURRED BY
14 THE COMPANY IN 2009 COMBINED WITH THE RESULTS OF THE TANK
15 PAINTING ANALYSIS CONDUCTED BY THE COMPANY INDICATE?**

16 A. The fact that the Company spent \$1,587,474 on tank painting in 2009,
17 coupled with its analysis that an optimal level of annual tank painting expense
18 in the future is \$1,600,000, provides a strong indication that the Company will
19 conduct tank painting at an annual level of expense equal to the annual level
20 of the proposed tracker (i.e., \$1,600,000)..
21

22 **Q. IN LIGHT OF THE ABOVE DISCUSSION, WHAT IS YOUR
23 RECOMMENDATION FOR THE LEVEL OF THE TANK PAINTING
24 TRACKER?**

25 A. I recommend that the tank painting tracker be continued and adjusted to an
26 annual amount of \$1,600,000.
27

28 **III. NON-REVENUE WATER ADJUSTMENT**
29

30 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY ON THIS
31 ISSUE?**

32 A. The purpose of this section of my rebuttal testimony is to:

- 1 1. Respond to the statements in the Staff Report relating to Staff's pro
2 forma chemical, power, and purchased water expense as they relate to
3 Staff's pro forma adjustment of system delivery for non-revenue (or
4 lost) water.
- 5 2. Introduce and describe what is a far more thoughtful, relevant and
6 consistent approach to conducting such evaluations.
- 7 3. Apply the approach in item 2 above to the Company's districts and
8 show that these districts all have acceptable water volumes entering
9 their distribution systems beyond that which results in sales.

10
11 **Q. HOW DOES THE COMPANY PROPOSE TO DETERMINE AN**
12 **APPROPRIATE LEVEL OF NON-REVENUE WATER (NRW)?**

13 A. In this case the Company applied its districts' test year NRW percent values
14 to their pro forma sales volumes to arrive at pro forma system delivery
15 volumes and production expense levels. This would yield an NRW of 18.46%
16 for all districts (Please see Schedule GAW-4, attached).

17
18 **Q. HOW DOES STAFF PROPOSE THIS ISSUE BE ADDRESSED?**

19 A. In this case the staff applied each district's test year NRW percent values to
20 their respective sales volumes to arrive at pro forma system delivery volumes
21 and production expense levels. This would yield an NRW of 17.33% for all
22 Districts. (Please see Schedule GAW-4, attached).

23
24 **Q. HOW ARE YOU PROPOSING TO RESOLVE THIS OR DISCREPANCY?**

25 A. In this case, the Company does not object to using a 3 year average of NRW
26 percent values. However, Staff used years 2006 through 2008 and I believe
27 the most current 3 years should be used (i.e., 2007 through 2009). This
28 would yield an NRW of 18.51% (see GAW-4).

29
30 **Q. DO YOU BELIEVE THIS IS THE BEST WAY FOR THIS ISSUE BE**
31 **ADDRESSED?**

1 A. No. The Company recommends the application of the Infrastructure Leakage
2 Index (ILI) performance indicator. This performance indicator is an output of
3 the International Water Association/American Waterworks Association
4 (IWA/AWWA) best practice water audit methodology developed during the
5 period 1997 – 2000. This methodology is also recommended as a best
6 management practice by the AWWA Water Loss Committee and is detailed in
7 the AWWA publication “M36 - Water Audits and Loss Control Programs” 3rd
8 Edition. This methodology features robust performance indicators that allow
9 for an objective gauging of loss levels. The development of this methodology
10 drew on the best practices of the various water auditing approaches used
11 around the world and crafted them into a single, standard best management
12 practice methodology that could be applied across the differing system
13 characteristics. This method advances the concept that all water should be
14 quantified, via measurement or estimate, as either authorized consumption or
15 losses. Hence, no water is “unaccounted-for”. The performance indicators,
16 ILI being of primary focus, included in this methodology give a reliable
17 assessment of water loss standing from operational, financial, and water
18 resource management perspectives. They are effective in evaluating current
19 standing, benchmarking with other utilities and loss reduction target setting.
20 Accordingly, as long as the ILI method indicates each district is in an
21 acceptable range, the company would recommend that the actual system
22 delivery should be used rather than using sales volumes and NRW to
23 calculate system delivery.

24
25 **Q. HAS THE COMPANY COMPLETED WATER AUDITS OF ITS**
26 **DISTRIBUTION SYSTEMS?**

27 A. Yes. A water audit was completed for each of the Company's systems based
28 on 2009 data. Completing these audits also required the Company to
29 develop a water volume accounting spreadsheet that allowed for the
30 quantification of these various volumes by month for each district. From
31 these water volume accounting spreadsheets and the audits, the Company
32 was able to calculate each district's ILI performance indicator.

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Q. WHAT WERE THE 2009 ILI VALUES CALCULATED FOR EACH OF THE COMPANY'S DISTRICTS?

A. The Company's 2009 ILI values are listed below.

1.	St. Louis County	2.85
2.	St. Joseph	2.82
3.	Parkville Water	1.16
4.	Warrensburg	2.57
5.	Brunswick	1.69
6.	Mexico	3.90
7.	Joplin	4.13
8.	Jefferson City	2.08
9.	Warren County Water	0.78

Q. WHAT CAN BE CONCLUDED REGARDING THE ACCEPTABILITY OF EACH DISTRICT'S LEVELS OF 2009 ANNUAL REAL LOSSES FROM THE ILI VALUES LISTED ABOVE?

A. Every district has a current ILI value that either falls within or is below (better than) the target range appropriate for it, based on the Company's evaluation of the conditions of each of its districts in the context of the categories of considerations found in the AWWA Water Loss Committee – Leakage Management Target-Setting Guidelines table.

IV. CONSOLIDATED TARIFF RULES

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY ON THIS ISSUE?

A. My rebuttal testimony will address statements in the direct testimony of the City of St. Joseph witness Bruce Woody.

Q. WHAT TARIFF PROVISIONS IS THE COMPANY PROPOSING TO CONSOLIDATE?

1 A. As I indicated in my direct testimony, the Company currently has five sets of
2 tariffs that it "inherited" when it acquired various companies. Many of the
3 individual tariff rules and regulations are the same. The Company is
4 proposing to consolidate the tariff rules into one tariff, but the rates for each
5 District will be set forth on separate rate sheets for each District.

6

7 **Q. MR. WOODY STATES THAT CONSOLIDATED RULES DO NOT BENEFIT**
8 **THE CUSTOMER OR THE CITY. DO YOU AGREE WITH THIS?**

9 A. No. Many of the processes that are covered by these rules are performed in
10 the same way across our multiple districts. The current rules have their
11 genesis with five legacy companies and thus were not ever visualized to be
12 used together. Having one set of rules does "make life easier for MAWC" as
13 Mr. Woody states, but this also benefits the customers. Administering a
14 consolidated tariff should reduce errors that are occasionally made when
15 customers contact the Company. Consolidation of the tariff provisions also
16 allows the rules to better reflect the best practices we are using across the
17 MAWC districts.

18

19 **Q. DO PARTS OF THESE CONSOLIDATED TARIFFS HAVE A FINANCIAL**
20 **IMPACT ON ST. JOSEPH?**

21 A. There are three areas addressed in Mr. Woody's testimony; main extensions,
22 customer charges, and miscellaneous fees. The customer charge is more of a
23 rate design issue and not part of the consolidation of the rules. The customer
24 charge issue is addressed in Paul Herbert's testimony. The main extension
25 issue will be addressed in Kevin Dunn's rebuttal testimony.

26

27 **Q. WHAT IS THE ISSUE WITH MISCELLANEOUS FEES?**

28 A. MAWC is proposing that miscellaneous fees be updated to current costs and
29 set at the same rate for all districts. Like consolidation of the rules, this
30 provides consistency that should reduce errors and improve efficiencies.

31

1 Q. **HOW WERE THESE MISCELLANEOUS FEES DEVELOPED?**

2 A. The process for performing a customer turn-on, a turn-off for non pay, an
3 inspection, etc. is essentially the same across all districts. The orders are
4 generated at the Call Center and dispatched in all districts on the same type
5 of laptop, using the same type of vehicles and tools. The only real difference
6 is the wage rate. To develop the rate, the average cost (weighed by
7 customers) was developed. The weighted average cost was then rounded to
8 an even dollar amount to produce a uniform rate for each activity.
9

10 Q. **IS THERE ANOTHER PORTION OF MR. WOODY'S TESTIMONY THAT**
11 **YOU WISH TO ADDRESS?**

12 A. Yes. Mr. Woody is opposed to the addition of language that states "no local
13 ordinance or regulation shall impose different construction methods". That
14 language currently exists in the St. Louis Metro District tariff. The actual tariff
15 language is as follows:

16 The Company's water mains can be extended within St. Louis County
17 or Jefferson County either by the Company's forces or by an
18 independent contractor in accordance with Company's standards and
19 contractual requirements. Because Commission jurisdiction
20 constitutes a legislative recognition that the public interest in proper
21 regulation of public utilities transcends municipal or county lines, and
22 that a centralized control must be entrusted to an agency whose
23 continually developing expertise will assure uniformly safe, proper and
24 adequate service by the Company, no regulations or ordinances of
25 local governments shall be permitted to impose different construction
26 methods (excepting local permit requirements for excavation and
27 restoration of public rights-of-way), material selections, water main
28 sizes or licensing qualifications of the Company's employees or of
29 those independent contractors employed to install, replace or maintain
30 water mains owned or to be owned by the Company when such work
31 is performed under the supervision of or inspection by Company
32 agents or employees, unless such requirement is adopted and
33 approved by the Commission upon complaint alleging that such
34 requirement is necessary for safe and adequate service and
35 requesting uniform application throughout Company's service area.
36

37 I am not an attorney but I have been advised by counsel that this provision is
38 consistent with Missouri court decisions in the following cases: See Union
39 Electric Company v. City of Crestwood, 499 S.W.2d 480, 482-83 (Mo. 1973)

1 and Union Electric Company v. City of Crestwood, 562 S.W.2d 344 (Mo.
2 1978).

3
4 **V. METERING OF LARGE USERS IN THE ST. JOSEPH DISTRICT**

5
6 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY ON THIS**
7 **ISSUE?**

8 A. My rebuttal testimony will address statements in the direct testimony of the
9 AGP witness Donald Johnstone.

10
11 **Q. MR. JOHNSTONE REFERS TO A STIPULATION AND AGREEMENT**
12 **FROM THE LAST RATE CASE. ARE YOU FAMILIAR WITH THAT?**

13 A. Yes. I participated in the work group or "collaborative" that was established as
14 part of that Stipulation. The end result was to install metering at AGP that
15 allows collection of usage data on an hourly or daily basis.

16
17 **Q. ARE THOSE METERS INSTALLED AT AGP?**

18 A. Yes. AGP paid for installation of those meters at an approximate cost of \$170
19 per meter. MAWC on a pilot basis uploaded the data and provided examples
20 to AGP personnel.

21
22 **Q. IS THE METER COST THE ONLY EXPENSE TO MAWC?**

23 A. No. Normally the meters are read and the data uploaded automatically into
24 our billing system. To capture the detailed information from these meters a
25 person in the office has to manually upload the information from the system to
26 provide reporting and archiving of the data.

27
28 **Q. DOES MAWC OBJECT TO PROVIDING THESE METERS AND DATA**
29 **COLLECTION FOR THE 5 LARGEST INDUSTRIAL CUSTOMERS AS MR.**
30 **JOHNSTONE PROPOSES?**

31 A. No. As long as MAWC can recover in its rates the costs noted above we do
32 not object to providing this service.

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VI. TARIFF PROVISIONS FOR RESIDENTIAL FIRE SPRINKLER SERVICE

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY ON THIS ISSUE?

A. My rebuttal testimony will address statements in the direct testimony of the St. Louis Fire Sprinkler Association (FSA) witnesses Jason Webb and Kevin Kelly.

Q. WHAT IS YOUR OVERALL CONCERN WITH THIS TESTIMONY?

A. I believe our proposed consolidated tariff appropriately addresses residential fire suppression systems. Existing rules are of an age that predates the advent of this technology. MAWC's proposed rules address the installation of residential systems and provide flexibility to address this recent and still evolving process. I believe that keeping the rules flexible and in line with the options currently in use and allowed is the best approach. The FSA witnesses desire to limit the rules to the single "preferred" approach advocated by the National Fire Protection Association (NFPA) today.

Q. WHAT CONFIGURTIONS OF RESIDENTIAL FIRE SPRINKLER SERVICES ARE YOU PROPOSING?

- A. MAWC is proposing three options:
- 1. Two separate service lines, one being the dedicated line for fire service
 - 2. One service line with the fire line separated prior to the domestic meter
 - 3. One combined service line with one meter.

Q. ARE ALL THREE OPTIONS APPROVED METHODS?

A. As indicated by the testimony of the FSA witnesses all three are approved by NFPA.

1 **Q. ARE YOU PROPOSING THAT ALL LINES, REGARDLESS OF THE**
2 **OPTION CHOSEN, HAVE METERS?**

3 A. Yes. We believe all services, including fire lines, should be metered at least
4 with a "detector check" type meter. This allows MAWC to track if there is
5 usage on the fire line. This is important in limiting non revenue water and
6 preventing theft of service. For example, if the fire service line is not metered,
7 a customer could tie the two systems together in the home thus bypassing the
8 domestic use meter.

9
10 **Q. DO YOU HAVE A CONCERN WITH THE ONE COMBINED SERVICE LINE**
11 **WITH ONE METER?**

12 A. Yes. MAWC generally uses industry standard materials as denoted by the
13 American Waterworks Association (AWWA). In the case of residential sized
14 meters, 5/8" to 1/1/2", there is no meter approved by AWWA for combined
15 domestic and fire service.

16
17 **Q. WHY DO YOU PROPOSE THIS AS AN OPTION THEN?**

18 A. I believe that as the use of residential fire suppression increases that a meter
19 for combined use will be approved. By providing the three options in the rules
20 MAWC will be positioned to approve their use at that time.

21
22 **Q. DO YOU HAVE ANY OTHER ISSUE WITH THE COMBINED SERVICE?**

23 A. Yes. Under current practice, when a customer fails to pay for service and
24 after notice is given in accordance with PSC rules, we shut the service off
25 until payment is received. With the combined service, this will also shut off the
26 fire protection to the home.

27
28 **Q. HOW IS THIS ANALGOUS TO COMMERCIAL / INDUSTRIAL FIRE LINES?**

29 A. These large commercial / industrial fire lines follow methods one or two
30 described above. Therefore in a non-pay situation the domestic line is shutoff,
31 but the fire service remains active. MAWC only shuts off fire services after
32 receiving approval from the local fire authority. If such policy is continued for

1 combined residential fire systems, this could lead to hundreds of requests
2 daily to local fire authorities to shut off these customers. This would result in
3 a large burden not only on the company but also on the fire authorities.
4 Further, failure to receive timely confirmation from the fire authorities could
5 significantly undermine collection efforts.
6

7 **Q. AS PART OF THE PROPOSED RULES YOU STATE THAT THE DECISION**
8 **ON WHICH OF THE THREE SERVICE TYPES TO USE IS AT THE**
9 **DISCRETION OF THE COMPANY. WHY IS THAT?**

10 A. The point of sale is at the meter, which we own, and in all operations except
11 St. Louis County MAWC owns the service line through the meter. Since these
12 are part of our system, I believe we need to determine the proper design and
13 specifications. MAWC is responsible for the hydraulics of its system and the
14 operations and engineering functions of the company are charged with
15 evaluating the proper design and operation of our transmission and
16 distribution systems.
17

18 **Q. IS IT ALWAYS ONLY THE COMPANY'S DISCRETION AS TO WHICH**
19 **TYPE OF SERVICE IS REQUIRED?**

20 A. No. MAWC coordinates with the Local Municipalities on the way in which the
21 Company provisions the residential fire service. For example, in Joplin, there
22 is a City ordinance specifying two separate service lines (Option 1 above).
23

24 **Q. IS THE COMPANY WILLING TO DISCUSS THIS ISSUE FURTHER WITH**
25 **THE FIRE SPRINKLER ASSOCIATION?**

26 A. Yes. During the prehearing conference, we had preliminary discussions with
27 the Fire Sprinkler Association regarding the tariff provisions for residential fire
28 sprinkler service. We have agreed to continue to discuss this with the Fire
29 Sprinkler Association and if there are revisions to our proposed tariff that are
30 mutually agreeable to both parties, we would be willing to make such
31 revisions.
32

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A. Yes.

3

System Delivery

District Name	2007	2008	2009	Total	Test Year
MO-St. Joseph	6,556,096	6,561,042	6,421,868	19,539,006	6,444,154
MO-Parkville Water	847,369	716,056	687,124	2,250,549	712,977
MO-Warrensburg	930,916	894,541	882,242	2,707,699	898,158
MO-Brunswick	46,981	42,378	34,070	123,429	39,370
MO-Mexico	825,884	758,079	688,834	2,272,797	730,943
MO-Joplin	4,812,251	4,647,346	4,435,119	13,894,716	4,597,106
JF-Jefferson City	1,374,959	1,236,291	1,265,075	3,876,325	1,262,119
Warren Cty - Water	35,844	31,571	30,965	98,380	31,266
STL-Metro	68,646,221	60,033,821	57,148,400	185,828,442	58,915,651
Total	84,076,521	74,921,125	71,593,697	230,591,343	73,631,744

Water Sales

District Name	2007	2008	2009	Total	Test Year
MO-St. Joseph	5,563,220	5,529,743	5,393,141	16,486,104	5,435,461
MO-Parkville Water	752,040	627,573	617,977	1,997,590	628,634
MO-Warrensburg	796,142	740,027	728,670	2,264,839	753,482
MO-Brunswick	35,351	32,723	24,492	92,566	27,876
MO-Mexico	699,408	588,586	539,630	1,827,623	574,945
MO-Joplin	4,473,533	4,296,187	3,577,521	12,347,241	4,077,164
JF-Jefferson City	1,128,003	1,019,110	1,031,863	3,178,977	1,020,659
Warren Cty - Water	32,876	28,580	27,709	89,166	27,718
STL-Metro	55,284,312	48,129,927	46,204,242	149,618,481	47,496,689
Total	68,764,885	60,992,457	58,145,245	187,902,587	60,042,627

Percentage

District Name	2007	2008	2009	3 Yr Avg	Test Year
MO-St. Joseph	15.14%	15.72%	16.02%	15.62%	15.65%
MO-Parkville Water	11.25%	12.36%	10.06%	11.24%	11.83%
MO-Warrensburg	14.48%	17.27%	17.41%	16.36%	16.11%
MO-Brunswick	24.76%	22.78%	28.11%	25.00%	29.20%
MO-Mexico	15.31%	22.36%	21.66%	19.59%	21.34%
MO-Joplin	7.04%	7.56%	19.34%	11.14%	11.31%
JF-Jefferson City	17.96%	17.57%	18.43%	17.99%	19.13%
Warren Cty - Water	8.28%	9.47%	10.52%	9.37%	11.35%
STL-Metro	19.46%	19.83%	19.15%	19.49%	19.38%
Total				18.51%	18.46%