

FILED
August 31, 2023
Data Center
Missouri Public
Service Commission

Exhibit No. 117

Staff – Exhibit 117
Majors Rebuttal
File No. WR-2023-0006

Exhibit No.:
Issue(s): *Accounting Schedules and
Amortization Expense*
Witness: *Keith Majors*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *WR-2023-0006*
Date Testimony Prepared: *June 29, 2023*

MISSOURI PUBLIC SERVICE COMMISSION
FINANCIAL AND BUSINESS ANALYSIS DIVISION
AUDITING DEPARTMENT

REBUTTAL TESTIMONY
Cost of Service

OF

KEITH MAJORS

CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.

CASE NO. WR-2023-0006

Jefferson City, Missouri
June 2023

1 **REBUTTAL TESTIMONY OF**

2 **KEITH MAJORS**

3 **CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.**

4 **CASE NO. WR-2023-0006**

5 Q. Please state your name and business address.

6 A. Keith Majors, Fletcher Daniels Office Building, 615 East 13th Street, Room 201,
7 Kansas City, Missouri, 64106.

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

9 A. I am a Utility Regulatory Audit Supervisor employed by the Staff (“Staff”) of
10 the Missouri Public Service Commission (“Commission”).

11 Q. Are you the same Keith Majors who previously provided testimony in this case?

12 A. Yes. I provided direct testimony in this case on May 26, 2023 concerning
13 Staff’s revenue requirement recommendation and other various adjustments and topics.

14 Q. What is the purpose of your rebuttal testimony?

15 A. The purpose of my testimony is to sponsor Staff’s corrected and updated
16 accounting schedules, and to update Staff’s adjustment for amortization expense.

17 Q. What corrections does Staff recommend?

18 A. Staff has corrected the depreciation reserve for some of the systems to remove
19 one extra year’s reserve and other minor corrections to the plant in service and reserve
20 accounting schedules. Staff received additional information for plant in service additions and
21 retirements for the period July 1, 2022 through January 31, 2023 and reflected the amounts, as
22 appropriate, in the various Confluence systems’ accounting schedules. I have attached the
23 summary revenue requirements by system as Schedule KM-r1. I am also sponsoring

Rebuttal Testimony of
Keith Majors

1 Staff's Accounting Schedules for the individual revenue requirement models filed concurrently
2 with this testimony.

3 Q. What correction to amortization expense do you recommend?

4 A. Staff recommends removal of the test year amount recorded in Account 407.4,
5 titled "Amortization of Property Losses" recorded in the books and records of the Elm Hills –
6 Water system.

7 Q. Why does Staff now recommend removal of this amount?

8 A. This was an oversight. It is unclear what has been booked to this account. Staff
9 recommends removal of the \$5,145 booked to this account. In general, and notwithstanding
10 special and unique circumstances, "property losses" and gains on the sale of property are not
11 reflected in the cost of service.

12 Q. Does this conclude your rebuttal testimony?

13 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Confluence Rivers Utility)
Operating Company, Inc.'s Request for)
Authority to Implement a General Rate)
Increase for Water Service and Sewer)
Service Provided in Missouri Service Areas)

Case No. WR-2023-0006

AFFIDAVIT OF KEITH MAJORS

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

COMES NOW KEITH MAJORS and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Keith Majors*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


KEITH MAJORS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 27th day of June 2023.


Notary Public



M. RIDENHOUR
My Commission Expires
July 22, 2023
Platte County
Commission #19603483

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Confluence Rivers Utility)
Operating Company, Inc.'s Request for)
Authority to Implement a General Rate)
Increase for Water Service and Sewer)
Service Provided in Missouri Service Areas)

Case No. WR-2023-0006

AFFIDAVIT OF KEITH MAJORS

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

COMES NOW KEITH MAJORS and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Keith Majors*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


KEITH MAJORS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 27th day of June 2023.


Notary Public



M. RIDENHOUR
My Commission Expires
July 22, 2023
Platte County
Commission #19603483

Confluence Rivers Utility Operating Company, Inc
Case No. WR-2023-0006
Staff Recommended Revenue Requirements-Rebuttal

System	Water Revenue Requirement	Sewer Revenue Requirement
Branson Cedars	\$ (7,604)	\$ 28,342
Cedar Green	\$ 26,976	\$ 22,956
Clemstone		\$ 62,886
Confluence Rivers	\$ (147,757)	\$ 5,714
Deer Run		\$ 9,670
Deguire		\$ 1,131
Elm Hills (Inc. Central Rivers)	\$ (14,955)	\$ (407)
Fawn Lake	\$ 2,344	
Freeman Hills		\$ 902
Glen Meadows	\$ 55,363	\$ 77,383
Hillcrest	\$ (58,961)	\$ (60,185)
Indian Hills	\$ (31,654)	
Missing Well	\$ 35,634	\$ 20,938
Osage Utilities	\$ 71,318	\$ 108,487
Port Perry	\$ 101,125	\$ 172,791
Prairie Heights	\$ 16,030	\$ 14,019
Racoon Creek		\$ (159,694)
Spring Branch	\$ 22,115	
Terre Du Lac	\$ 136,479	\$ 341,833
Total	\$ 206,453	\$ 646,766